



# ***Daily Report***

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## **China**

FBIS-CHI-92-224  
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# Daily Report

## China

FBIS-CHI-92-224

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19 November 1992

**NOTICE TO READERS:** An \* indicates material not disseminated in electronic form.

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## General

### Foreign Ministry Spokesman Gives Weekly Briefing

#### On French Arms Sale to Taiwan

OW1911081192 Beijing XINHUA in English 0753  
GMT 19 Nov 92

[Text] Beijing, November 19 (XINHUA)—China strongly demands that the French Government refrain from approving the reported weapon sale contract to Taiwan, a Foreign Ministry spokesman said at today's weekly press conference.

Some correspondents asked: "It is reported that the Dassault Company of France has signed a contract with Taiwan on the sale of 60 Mirage-2000 fighters to Taiwan. Could you comment on this?"

The spokesman, Wu Jianmin, said, "We have read the report. If what is reported is true, it is a very serious matter."

The Chinese side has stated on many occasions its firm opposition to sales of weapons to Taiwan by any country, he said, adding that the French side is fully aware of China's solemn position.

"We strongly demand that the French Government observe the principles concerning the establishment of diplomatic relations between China and France and refrain from approving the said contract," the spokesman said.

He warned that the Chinese side will react strongly if the French side ignores China's strong opposition and insists on having its own way.

"The French Government should be held fully responsible for all the serious consequences arising therefrom," the spokesman added.

#### Urges UK To Retreat on Hong Kong

HK191115292 Hong Kong AFP in English 1045 GMT  
19 Nov 92

[Text] Beijing, Nov 19 (AFP)—China and Britain can end their dispute over democratic reform in Hong Kong only if London alters its stance fundamentally, a government spokesman said Thursday. But the spokesman declined to say if Beijing would abrogate a Sino-British agreement that guarantees Hong Kong's capitalist lifestyle for 50 years after the British colony reverts to Chinese rule in 1997.

"We still hope that the British side will return to consultation and cooperation as stipulated in the Sino-British Joint Declaration," foreign ministry spokesman Wu Jianmin said. "The critical issue at present is that the Hong Kong British authorities should basically change their attitude and return as soon as possible to consultation and cooperation," he told a weekly briefing.

The spokesman had been asked to comment on whether Chinese Vice Premier Zhu Rongji had been misquoted Monday when he said during a visit to London that Beijing might pull out of all agreements on Hong Kong if Britain went ahead with plans to introduce greater democracy there before 1997.

Lawyer Liu Yu Chu, a Hong Kong member of the National People's Congress was quoted in the People's Daily [RENMIM RIBAO] overseas edition Thursday [19 November] as saying that the foreign media had twisted Zhu's remarks to portray China as "intentionally trying to overturn the joint declaration."

She described it as "intentional rumormongering" and added: "Zhu Rongji spoke in a mild tone and his remarks simply reiterated China's consistent position, that China's stance of upholding the implementation of the joint declaration has not changed."

Spokesman Wu did not say whether Zhu had been misinterpreted but quoted the vice-premier as saying in London: "People cannot help asking, 'Is the Sino-British Joint Declaration to be observed? Is the understanding between China and Britain to be scrapped?' This is an important matter of principle on which the Chinese government and people have never been ambiguous."

The democratic reforms were proposed last month by Hong Kong's British colonial governor, Chris Patten. China has flatly rejected the reforms and threatened to unilaterally dismantle the Hong Kong government and form a new one if they are carried out. The Sino-British dispute is deadlocked with China so far ruling out any negotiations on the issue and British Prime Minister John Major voicing full support for Patten's proposals.

#### Reiterates Sovereignty Over Spratlys

HK191123292 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1104 GMT 19 Nov 92

[By Tang Dianwei (0781 0368 0251)]

[Text] Beijing, 19 Nov (ZHONGGUO XINWEN SHE)—At a time when Chinese Premier Li Peng is about to pay an official visit to Vietnam, Chinese Foreign Ministry spokesman Wu Jianmin today reiterated China's indisputable sovereignty over the Nansha and Xisha archipelagoes and the surrounding waters.

Wu said that, in view of the differing views held by China and some countries over this area, China proposes shelving the differences and jointly engaging in development.

Wu made these remarks in response to a reporter's question at the Chinese Foreign Ministry news conference this morning.

A reporter asked: What is the purpose of Premier Li Peng's upcoming visit to Vietnam? The spokesman replied that Premier Li Peng's upcoming official visit to Vietnam will reciprocate the high-level Vietnamese delegation's visit to China last November. The two sides

will exchange views on bilateral relations and international and regional issues of common concern. The purpose of the visit is to consolidate and develop Sino-Vietnamese ties based on the five principles of peaceful coexistence.

#### **Says Li Peng To Expand SRV Ties**

*OW1911083092 Beijing XINHUA in English 0814  
GMT 19 Nov 92*

[Text] Beijing, November 19 (XINHUA)—Chinese Premier Li Peng's forthcoming official goodwill visit to Vietnam aims to "consolidate and expand Sino-Vietnamese relations," a Chinese Foreign Ministry spokesman said here today.

During the visit, which is to reciprocate last November's China tour by a high-level Vietnamese delegation, Li Peng will hold talks with Prime Minister Vo Van Kiet and meet with other Vietnamese leaders to exchange views on bilateral relations and international and regional issues of mutual concern, spokesman Wu Jianmin told a weekly press conference this afternoon.

"The purpose of the visit is to consolidate and expand Sino-Vietnamese relations on the basis of the Five Principles of Peaceful Coexistence," Wu said in response to a foreign correspondent.

#### **Cooperation With Lithuania Viewed**

*OW1911085992 Beijing XINHUA in English 0846  
GMT 19 Nov 92*

[Text] Beijing, November 19 (XINHUA)—China is ready to further the friendly cooperation with Lithuania, a Foreign Ministry spokesman said here today, while commenting on the result of a general election in Lithuania.

Spokesman Wu Jianmin made the remark at a weekly press conference this afternoon, when asked to comment on the Lithuanian Democratic Labor Party's victory in the recent election.

"This is an internal affair of Lithuania," he said. "We are willing to continue developing the friendly relations and cooperation with Lithuania on the basis of the Five Principles of Peaceful Co-existence."

#### **Expresses Hopes on Russia-ROK Meeting**

*OW1911082492 Beijing XINHUA in English 0812  
GMT 19 Nov 92*

[Text] Beijing, November 19 (XINHUA)—China hopes the development of relations between Russia and the Republic of Korea (ROK) be conducive to peace and stability in Asia, a Foreign Ministry spokesman said at today's weekly press conference.

Asked about China's comment on Russian President B. Yeltsin's statement in the ROK that the focus of his foreign policy would shift more to Asia, the spokesman, Wu Jianmin, replied that as both Russia and the ROK are China's

neighbors, China hopes the promotion of their relations be beneficial to regional peace and stability.

"We are willing to further our friendly relations of cooperation with all countries including Russia on the basis of the Five Principles of Peaceful Coexistence so as to facilitate regional and world peace, stability and development," he added.

#### **Cuban Political Bureau Member To Visit**

*OW1911081992 Beijing XINHUA in English 0757  
GMT 19 Nov 92*

[Text] Beijing, November 19 (XINHUA)—Carlos Lage Davila, member of the Political Bureau of the Cuban Communist Party Central Committee, member of the Council of State and secretary of the Executive Committee of the Council of Ministers, will pay a visit to China from November 22 to 29, at the invitation of the Chinese Government.

This was announced by a Chinese Foreign Ministry spokesman at a weekly press conference here today.

#### **'Senior CPC Figure' Says Cold War Not Over**

*HK1911102992 Hong Kong WEN WEI PO in Chinese  
19 Nov 92 p 2*

[Dispatch from Beijing by staff reporter Chen Chienping (7115 1696 1627): "Senior CPC Figure Comments on Present World Situation, Stressing It Is Wrong To Say That the Cold War Has Ended"]

[Text] Beijing, 18 Nov (WEN WEI PO)—An authoritative source revealed here that a senior CPC figure recently pointed out that, with the current international situation, it is wrong to say that the Cold War has ended. China should also do some concrete things, while adhering to its basic foreign policy of observing coolly, standing firm, tackling things calmly, hiding its strength, and biding its time.

Quoting the senior person, the authoritative source continued that we should not follow others in saying that the Cold War has ended. When the so-called Cold War refers to the Cold War between East and West, it has ended. However, the Cold War between the West and the Third World has just started. Moreover, there are great economic pressures. Under such circumstances, China should do some concrete things while adhering to the 16-character [refers to Chinese script] basic foreign policy.

#### **UN Envoy on Situation in Bosnia-Herzegovina**

*OW1911010992 Beijing XINHUA Domestic Service in  
Chinese 0553 GMT 14 Nov 92*

[By reporter Liu Huorong 0491 3499 2837]

[Text] United Nations, 13 Nov (XINHUA)—At a UN Security Council [UNSC] debate session on the situation

in Bosnia-Herzegovina on 13 November, Li Daoyu, PRC permanent representative to the United Nations, urged the parties concerned to resolve conflicts in Bosnia-Herzegovina through dialogue and negotiations.

Li Daoyu said: Past experiences have proved that disputes between nationalities and nations cannot be resolved through the use of arms. Armed solutions will only complicate situations, sharpen conflicts, deepen enmities, and make things difficult.

He reiterated that China opposes the use of any armed means to resolve the conflicts in Bosnia-Herzegovina. He said: China believes that only dialogue and negotiations can break down enmities and resolve disputes between parties in Bosnia-Herzegovina and help us find a truly sustainable, rational method to resolve the conflicts.

He urged warring factions in Bosnia-Herzegovina to attend negotiations held by the presidents of the international conference on the issue of former Yugoslavia. He hoped that all parties would immediately cease hostilities and seize any available opportunities to resolve as soon as possible their differences and disputes. He also hoped that peaceful coexistence among all nationalities would be attained and that people could rebuild their homes and develop their economy as soon as possible.

Li Daoyu said: Relevant efforts conducted by the international community must conform to standards on international relations. Such efforts must uphold fairness and rationality. They should be conducive to an early realization of peace and stability in Bosnia-Herzegovina and to the finding of a suitable solution for the Bosnia-Herzegovina conflicts.

He also demanded the immediate cessation of actions in violation of humanitarian principles and the adoption of necessary measures to help refugees return to their homes.

The UNSC will end its debate session on Bosnia-Herzegovina on 16 November and adopt a draft resolution proposed by the United States, Britain, and other Western nations.

The draft resolution will toughen sanctions against the Federal Republic of Yugoslavia, particularly regarding the transportation of oil.

#### **UN Representative on Eradicating Apartheid**

*OW1811223692 Beijing XINHUA in English 2153 GMT 18 Nov 92*

[Text] United Nations, November 18 (XINHUA)—China said here today that the key to further progress in the political settlement of the South African issue lay in whether the constitutional negotiations could be resumed at an early date and whether violence could be completely eliminated.

These remarks were made by Li Daoyu, permanent representative of China to the United Nations, at the 47th U.N. General Assembly session when it resumed its consideration of the policies of apartheid of the South African Government this morning.

"Constitutional negotiations is the cornerstone of the political settlement of the South African issue," Li said, "and only after all the relevant parties reach agreement on constitutional issues, including constitutional principles and establishment of constituent assembly, will it be hopeful for further progress in the democratic progress in South Africa."

He said that the understanding reached last September between de Klerk, president of South Africa, and Mandela, president of the African National Congress, marked an important step toward a political settlement to the issue, and hoped the South African government would adopt practical measures to ensure continued progress along this line.

"The other key element for the political settlement of the South African issue is the elimination of violence," the Chinese representative continued.

Recently, Li said, the frequent violent clashes in South Africa had not only resulted in brutal massacre of thousands of black people, but also seriously poisoned the political atmosphere and hindered the negotiation process.

To improve the situation, Li urged the South African Government to take prompt and effective measures to check violence and bring bloodshed to an end so as to create a necessary atmosphere and conditions for the continuation of the democratic process.

In his statement, Li also said that the Chinese Government and people would, as always, stand by the African people and support their efforts to eradicate the apartheid system and build a unified, democratic and non-racial new South Africa.

At the same time, the Chinese representative also expressed his belief that with the support of the United Nations and the international community, the national liberation movements in South Africa would further strengthen their unity and coordination so as to promote the early realization of this goal.

The issue of policies of apartheid of the South African Government has remained an important item on the top of the agenda of the U.N. General Assembly, and it was taken up again by the current General Assembly Tuesday, November 17.

The assembly had before it this year several reports for consideration, which included the report of the U.N. Special Committee Against Apartheid, U.N. secretary-general's report on the United Nations Trust Fund for South Africa, and a 43-nation draft Resolution Concerning the Educational and Training Program for Southern Africa.



The consideration was expected to finish on Thursday and relevant resolutions would be adopted later this month.

#### **Uruguay Round Important to Developing Agriculture**

OW1811223392 Beijing XINHUA in English 2138 GMT 18 Nov 92

[Text] United Nations, November 18 (XINHUA)—China hopes that the impasse over the question of subsidies will soon be broken and the Uruguay Round will be successfully concluded.

While addressing the second committee (economic and financial) of the 47th session of the U.N. General Assembly today, Chinese Representative Ren Quan said only such a result will help improve the terms of trade for the agricultural products from developing countries and enable all the participants of the Uruguay Round to obtain sustainable benefits.

Ren noted that agriculture occupied an important position in the economy of many countries, particularly developing countries and played an essential role in providing employment opportunities and sources of income and ensuring social stability and economic prosperity.

He continued, the international economic environment and a just and rational international trading system for agricultural products were important guarantees for the sustained development of world agriculture and world food security.

Ren, noting that the development assistance by the world community was an effective measure, which should be further strengthened, called upon the developing countries to fully tap their own potentials and strengthen the south-south cooperation in the field of food and agriculture by learning from each other and exchanging experiences and techniques.

On the World Food Council, the Chinese delegate said that it has done a lot of work in trying to eliminate the worldwide hunger and malnutrition, however it should adapt itself to the new situation, enhance efficiency and improve its method of work so as to effectively carry out its mandate as the coordinator and policy advisor to other U.N. organizations in the field of food and agriculture.

In recent years, with the joint effort of the international community, some progress has been made in world agriculture. But serious problems exist in food and agriculture worldwide. Statistics shows that the total number of people suffering from hunger in the world is now 550 million.

#### **Tian Jiyun, Zou Jiahua Greet New Technology Fair**

OW1911015492 Beijing XINHUA Domestic Service in Chinese 0636 GMT 18 Nov 92

[By reporter Dou Heyi (4535 0678 5030)]

[Excerpts] Tianjin, 18 Nov (XINHUA)—The first international fair on new products and new technology by medium- and small-sized enterprises opened yesterday at the International Economic and Trade Exhibition Center in Tianjin.

State Council Vice Premiers Tian Jiyun and Zou Jiahua sent individual congratulatory messages to the opening of the fair. Some 1,000 Chinese and foreign guests, including Ni Zhifu, vice chairman of the NPC [National People's Congress] Standing Committee and chairman of the All-China Federation of Trade Unions, attended the opening ceremony. [passage omitted]

Representatives from some 300 foreign enterprises, including those from Japan, South Korea [Beijing XINHUA Domestic Service in Chinese at 1631 GMT on 18 November transmits a service message correcting "South Korea" to "Korea"], France, Germany, and the United States, attended the fair. [passage omitted]

#### **Supreme Court Judge Meets Symposium Participants**

OW1911144392 Beijing XINHUA in English 1112 GMT 19 Nov 92

[Text] Beijing, November 19 (XINHUA)—President Ren Jianxin of China's Supreme People's Court met here this evening with Paolo Vercellone, president of the International Association of Juvenile and Family Court Magistrates, and other participants of an international symposium on the prevention, trial and correction of juvenile delinquency, which is recently held in Shanghai.

#### **Chinese Technologies Exhibited in Indonesia**

OW1311100092 Beijing XINHUA in English 0822 GMT 13 Nov 92

[Text] Shanghai, November 13 (XINHUA)—Some 2,000 technological items representing China's highest scientific research findings will be offered to overseas businessmen November 14-18 at the International Trade Center in Jakarta, capital of Indonesia.

These technological items cover areas of rockets and satellites, nuclear power station construction, and other industries such as machinery, electronics, power generation, metallurgy, chemicals, textiles, shipping, building materials, light industrial products, computer software, food and environmental protection.

Experts said that this will be the first time for China to show its technological achievements in an all-round way

on the Southeast Asian market, which indicates that the country has lifted its sales of high-level technologies to world markets.

They said that the Southeast Asian market will be the main target for sales of Chinese technologies in the near future as Chinese technologies have proved to meet this area's demand for rapid economic development.

Provided by foreign trade departments in nine provinces and municipalities in China, the technological items are patented and specially-owned technologies, new products and complete sets of equipment developed by the Chinese Academy of Sciences and some universities, institutes and enterprises.

A 250-member trade delegation has left Shanghai for Jakarta to attend the technology trade fair.

Officials said that China has exported over 1,000 items of technology involving three billion U.S. dollars to dozens of countries and regions.

Covering more than 20 sectors, these technologies were warmly received in both developing and developed countries.

Techniques on hybrid rice and emulsified explosives, for example, have been exported to the United States, Germany and Japan.

By playing up technological advantages, China won an international bid for construction of a thermal power plant and succeeded in launching a telecommunications satellite for Australia.

Presently China has set up a fairly good scientific research system and agricultural and industrial production systems and has a surplus of advanced technologies.

The country has been developing new scientific and technological products every year, which provide an abundant supply of "commodities" for high-tech export.

Last year, Chinese technologies export involved a contracted volume of one billion U.S. dollars, compared with 200,000 or 300,000 U.S. dollars in the years of 1981 and 1982.

At a technologies trade fair held in Shanghai in September last year, which attracted 1,600-plus businessmen from 46 countries and regions, some 3,000 items of technologies were sold and 259 agreements involving 230 million U.S. dollars were signed on high-tech export.

Moreover, China's technologies export has extended its coverage to include equipment and production lines export, taking contracts to construct overseas projects, and developing Sino-foreign co-operative production, as well as single-item technology exports.

Meanwhile, China has imported thousands of advanced technologies valued at 30 billion U.S. dollars since the Chinese Government adopted the reform and opening policies in the late 1970s.

### China '92 Fair Opens

OW1411082992 Beijing XINHUA in English 0815  
GMT 14 Nov 92

[Text] Jakarta, November 14 (XINHUA)—'92 China Technology Fair (Jakarta) was ceremoniously opened here today at the Jakarta International Trade Center.

The fair, first of its kind ever held in Indonesia, is to introduce sophisticated technologies and equipments of China-made products, exchange know-how with Indonesian technicians and promote trade between the two countries.

On display were over 2,000 kinds of products from nine Chinese big cities and provinces, such as Shanghai, Beijing, Tianjin, Hunan, Anhui, Liaoning, Henan, Shaanxi and Guangdong.

This fair consists of 102 exhibition booths with about 2,000 items involving patent and know-how developed by Chinese scientific research institutes, universities and other high educational institutes as well as industrial enterprises, also including whole set of equipments and high-tech products of machinery, electronics, electric power, metallurgy, chemical, textile, ship building material, light industry, food industry, environment protection and soft ware of computers.

There are also up dated high-tech items, such as the Long March No.4 rocket, the Dong Fang Hong satellite, the 300 mw [mega watt] nuclear power in Qing Shan of China, 300 mw series of steam turbine generator units, MD-82 large passenger plane, supersonic linescope instrument for medical treatment, laser advertisement machine, 360 degree all-direction camera, etc.

During the fair, seminars will also be held.

China in its over 40 years of development has set up all types of industries, scientific research system. China is now capable of exporting its technology.

Being a fast developing country, Indonesia has developed its own outward oriented economy. Therefore, opportunities of mutual beneficial cooperation surely exist in many aspects between China and Indonesia.

According to statistics, the total trade volume of China with Indonesia in 1991 was over us 1.8 billion, 59 percent over that in 1990.

Dr. Zhang Xiang, head of the delegation and vice chairman of Shanghai Municipal Foreign Economic Relations and Trade Commission, told XINHUA he is optimistic that the items displayed in the fair would make contributions to the further economic development in Indonesia and Southeast Asian areas.

Present at the opening ceremony were several hundred people including T. Ariwibowo, [name as received] junior minister of the Department of Industry, high-ranking officials from the Indonesian Chamber of Commerce, Chinese Ambassador to Indonesia Qian Yongnian, distinguished guests from trade, industrial and economic circles of both Indonesia and nearby countries.

The fair will conclude on November 18.

### United States & Canada

#### Liu Shuqing, Liu Huaqiu Meet U.S. Representative

OW1811141292 Beijing XINHUA in English 1331  
GMT 18 Nov 92

[Text] Beijing, November 18 (XINHUA)—President Liu Shuqing of the Chinese People's Institute of Foreign Affairs and Chinese Vice Foreign Minister Liu Huaqiu met with Jay Kim, Republican member of the U.S. House of Representatives, on separate occasions here today.

During the meetings, both Liu Shuqing and Liu Huaqiu briefed the guest on China's present situation. The two sides also exchanged views on the issue of Sino-U.S. relations in a friendly atmosphere.

Jay Kim arrived here Tuesday as guest of the Chinese institute.

#### Wang Hanbin Talks With Kim

OW1911111892 Beijing XINHUA in English 0914  
GMT 19 Nov 92

[Text] Beijing, November 19 (XINHUA)—Wang Hanbin, vice-chairman of China's National People's Congress (NPC) Standing Committee, met with Jay Kim, Republican member of the U.S. House of Representatives, and his party at the Great Hall of the People here today.

Jay Kim and his party arrived here Tuesday as guests of the Chinese People's Institute of Foreign Affairs.

### Central Eurasia

#### Foreign Minister Leaves for Central Asia, Russia

OW1711105592 Beijing XINHUA in English 1042  
GMT 17 Nov 92

[Text] Beijing, November 17 (XINHUA)—Chinese State Councillor and Foreign Minister Qian Qichen left here this afternoon for an official visit to Uzbekistan, Kyrgyzstan, Kazakhstan and the Russian Federation.

This will be the first visit by a Chinese foreign minister to the CIS (Commonwealth of Independent States) countries.

Qian, speaking to journalists upon departure at the airport, described the purpose of his visit as to "strengthen friendly and good-neighborly relations with the four countries."

Since the establishment of diplomatic ties with China early this year, top leaders of all the three newly-independent Central Asian nations have visited China, Qian noted. Meanwhile, China's economic and trade relations with them have developed with "a good beginning," he said.

However, untapped potentials, along with such new problems as transportation and the need to accommodate each other's systems, call for further efforts, Qian said, adding that he believes in a continuous growth of ties between China and the three Central Asian nations.

On Sino-Russian relations, Qian called his trip a visit to reciprocate Russian Foreign Minister Andrey Vladimirovich Kozyrev's tour of China this past March. Also, Qian said his visit is meant to prepare for Russian President Boris Yeltsin's visit to China next month.

As China and Russia are two big nations in the world, which share more than 4000 kilometers of common border, a good-neighborly and friendly relationship between them will play "a very important role" in maintaining stability and peace in this region and the world in general, he said. "Therefore, we attach great importance to President Yeltsin's visit."

#### Arrives in Uzbekistan

OW1811094992 Beijing XINHUA in English 0943  
GMT 18 Nov 92

[Text] Tashkent, November 18 (XINHUA)—Chinese Foreign Minister Qian Qichen today flew into Tashkent, capital of Uzbekistan, to start his four-nation tour of the Commonwealth of Independent States.

Qian said upon his arrival that his visit aims at speeding up the process of cooperation between China and Uzbekistan.

Cooperation between the two countries have developed smoothly since the establishment of diplomatic ties less than a year ago, he said.

A series of agreements signed between the two nations have laid a solid foundation for their cooperation of equality and mutual benefit, he added.

Uzbekistan is the first stop of Qian's four-nation tour. He will also visit Kyrgyzstan, Kazakhstan, and Russia.

#### Meets Uzbek President

OW1911085492 Beijing XINHUA in English 0132  
GMT 19 Nov 92

[Text] Tashkent, November 18 (XINHUA)—Uzbekistan President Islam Karimov said here today that Uzbekistan and China, both Asian nations, should have economic cooperation in all fields.



China's rapid economic development and political stability proved its choice of reforms was right, he said.

This was a good example for Uzbekistan to learn from, he added.

Uzbekistan made the remarks when meeting with visiting Chinese State Councillor and Foreign Minister Qian Qichen.

Speaking of bilateral relations, Karimov said Uzbekistan values its ties with China, which was the first to recognize Uzbekistan as an independent state.

He also said that agreements signed with China during his visit to Beijing last March already had begun to benefit Uzbekistan people.

He told Qian that Uzbekistan and China have many interests in common, and should further strive to create favorable conditions for economic cooperation in all fields, especially in transportation.

Qian briefed Karimov on China's peaceful foreign policy, stressing that China is sincere about peace and hopes for a comfortable international climate to develop itself.

On developing relations with its neighbors, Qian said, China desires mutually beneficial cooperation with these countries on the basis of friendliness.

Qian promised Karimov that China sees its relations with Uzbekistan as important, and is ready to speed up implementation of the agreements between the two countries.

The Chinese foreign minister arrived here this morning. Uzbekistan is the first stop on his four-nation CIS trip, followed by Kyrgyzstan, Kazakhstan and Russia.

#### **Talks With Counterpart**

OW1811140292 Beijing XINHUA in English 1354  
GMT 18 Nov 92

[Text] Tashkent, November 18 (XINHUA)—Uzbekistan attached great importance to developing relations with China, Uzbekistan's Minister of Foreign Affairs said on Wednesday [18 November].

The minister, Ubaidulla Abdurazzaqov, made the statement when he met his Chinese counterpart, Qian Qichen.

He said the historical friendship between the peoples of Uzbekistan and China had been restored in the new era and the two countries were cooperating smoothly.

The friendship between their peoples could be traced back to the ancient times when the silk road ran through Uzbekistan to Europe.

Uzbekistan President Islam Karimov visited China in March and signed a series of agreements.

Qian Qichen said the purpose of his visit was to enhance cooperation and to see the further fulfillment of those agreements.

Trade between the countries had started well, he said. Better transport conditions would greatly help the contacts.

#### **Qian's Kazakhstan Visit 'Significant Event'**

OW1911085692 Beijing XINHUA in English 0221  
GMT 19 Nov 92

[Text] Alma ata, November 18 (XINHUA)—The forthcoming visit to Kazakhstan by Chinese Foreign Minister Qian Qichen, would be a significant event on the relations of the two countries, Kazakh Foreign Minister Tuleutai Suleymenov said here today.

In an interview with XINHUA, Suleymenov said that it would be the first visit by a Chinese foreign minister to independent Kazakhstan.

The two sides would discuss expanding cooperation in the fields of economy, trade, culture and international affairs, he added.

Suleymenov reviewed the development of the two countries' relations, saying that Kazak President Nursultan Nazarbayev visited China last year, diplomatic relations had been established last January, and several agreement had been signed.

These events had laid an important groundwork for the further development of friendly relations between the two countries, he said.

Suleymenov said: "China is our friendly neighboring country, we are sharing a long common boundary. Promoting mutual confidence is of benefit to the two countries and peoples."

#### **Turkmenistan President Niyazov Arrives in Beijing**

OW1911135592 Beijing XINHUA in English 1337  
GMT 19 Nov 92

[Text] Beijing, November 19 (XINHUA)—Turkmenistan President Saparmurad Niyazov arrived here this evening for a five-day official visit to China at the invitation of Chinese President Yang Shangkun.

This is Niyazov's first visit to China in his capacity as president of Turkmenistan.

There are about 70 high-ranking officials accompanying him on his current China tour, including 11 deputy prime ministers and some 10 ministers.

President Niyazov was greeted at the airport by Chen Minzhang, chairman of the Chinese Government Reception Committee and minister of public health, and Tian Zengpei, vice-foreign minister.

Niyazov is scheduled to meet President Yang Shangkun and hold talks with premier Li Peng tomorrow.

The president and his party, on their way to Beijing, stopped over in Urumqi, the capital of the Xinjiang Uygur Autonomous Region in northwest China, and they met vice-chairman Wang Lequan of the autonomous regional people's government at the airport.

### Northeast Asia

#### ROK Becomes First Foreign Investor in Transport

OW1811092192 Beijing XINHUA in English 0902 GMT 18 Nov 92

[Text] Chengdu, November 18 (XINHUA)—The Jin Ho Group of South Korea has signed a contract with the Eastern China Electric Group in Chengdu city, southwest China, to invest two million U.S. dollars to set up the Dongguang Passenger Transport Corporation.

This is the first foreign investment ever approved in China's transportation sector.

The two groups will co-operate in promoting passenger transport on the Chengdu-Chongqing highway and on the Yangtze river.

The Eastern China Electric Group is one of the 55 major enterprises and corporations enjoying independent planning. It mainly produces power station equipment.

The Jin Ho is one of the 15 major financial groups in South Korea.

Director of the South Korea-China Friendship Association and President of the Jin Ho Group Pak [name as received] said, "the co-operation and friendship between our two groups will be profound and everlasting."

The Chengdu-Chongqing highway, which is now under construction, is the first one of its kind in Sichuan Province. It extends 340 km and links Chengdu and Chongqing, the two biggest cities in the province, with coastal and economically developed cities in the country. Meanwhile, the Yangtze river, the biggest in China, is a golden waterway that leads east to the sea.

Sichuan, an industrial base with a dense population and rich natural resources, is a large potential market. However, its backward transportation has hindered its economic development.

#### ROK Municipal Delegation Visits Jilin City

SK1711122492 Changchun Jilin People's Radio Network in Mandarin 1030 GMT 16 Nov 92

[Text] At the invitation of the Jilin city government, the seven-member friendship delegation from Taejon city, the ROK, led by (Kim Tu-pong), speaker of the Taejon Municipal Council, came to Jilin for a two-day visit

beginning on 15 November. Both sides held talks on the establishment of friendly city relations and expressed sincerity in this regard.

Taejon municipality is located in central ROK, and is a famous city of science and culture. Its industrial and agricultural product mix is similar to Jilin's. The delegation's visit was aimed at paying a return visit to Jilin because Jilin had organized an economic and trade delegation to the ROK in September of this year.

#### Delegation Erects Monument to Martyr Zhang Weihua

SK1811114892 Changchun JILIN RIBAO in Chinese 30 Oct 92 p 1

[By reporters Lu Zhenshan (0712 2182 1472) and Sun Limin (1327 4539 3046): "Kim Il-song Sends Representatives To Erect Monument to Martyr Zhang Weihua."]

[Text] A five-member group, including Kang Sok-chong, member of the Workers Party of Korea Central Committee and director of the Party History Research Institute, entered our country via Linjiang port on 24 October to erect a monument to Martyr Zhang Weihua, savior of Kim Il-song, in Fusong County on President Kim Il-song's behalf.

The granite monument is 1.88 meters tall, 0.8 meters wide, and 0.2 meters thick and has an inscription personally written by President Kim Il-song. The inscription reads: "The Revolutionary Achievement of Zhang Weihua Is a Glorious Example of the Friendship Between the Chinese and Korean Peoples. Martyr Zhang Weihua's Revolutionary Spirit Will Always Live in the Hearts of the People."

After the Japanese imperialists seized Korea in 1920, the Korean patriots successively moved to the northeastern areas of China. Kim Il-song rushed with his father to Linjiang, Fusong, Jilin, and some other areas. He shared a desk with Zhang Weihua in a class in a Fusong school. After that, they joined in revolutionary activities together and became close friends. In autumn 1937, traitors betrayed Zhang Weihua and he was arrested. The enemy tried all possible means to force Zhang Weihua to reveal Kim Il-song's whereabouts. Zhang Weihua would rather die than surrender and used his life to protect General Kim Il-song and the Korean Revolutionary Army headquarters. President Kim Il-song often said to Korean comrades: "Zhang Weihua was my savior as well as a great internationalist fighter." Several times, President Kim Il-song sent personnel to search for Zhang Weihua's children. He also invited on three occasions—in 1985, 1987, and 1992—martyr Zhang Weihua's son, Zhang Jinquan, and his family members to visit Korea. The 55th anniversary of the death of martyr Zhang Weihua fell on 27 October 1992.

### Southeast Asia & Pacific

#### Fujian Group Ends 'Fruitful Visit' to Indonesia

OW1811113092 Beijing XINHUA in English 1122  
GMT 18 Nov 92

[Text] Jakarta, November 18 (XINHUA)—Indonesian Vice President Sudharmono expressed great satisfaction over the fruitful visit by China's Fujian provincial economic delegation to Indonesia, saying his country is carrying out open-door economic policies welcoming foreign investors to cooperate with local entrepreneurs.

The vice president also said that Indonesia also allows local businessmen to invest in foreign countries and implement two-way cooperation.

Sudharmono made the remarks here today when receiving the Fujian Provincial Economic and Trade Delegation led by Chen Guangyi, honorary president of Fujian Sub-Council of the China Council for the Promotion of International Trade.

The Indonesian vice president expressed satisfaction after learning that Fujian Province has already found cooperative partners in Indonesia. He wished the two sides gained success in their cooperation.

The Fujian delegation signed two agreements of cooperation with Indonesian enterprisers, i.e. The Fujian Province invested two million U.S. dollars in Surabaya to build a factory of glass liner for thermos flask. The production capacity is three million pieces per year. The final target is six million pieces annually. The factory is scheduled to be completed next year.

The Fujian Province also invested 12 million U.S. dollars in Jakarta to construct an aquatic product cold storage and canned food processing factory with part of products for exports.

After the meeting with the Indonesian vice president, Chen Guangyi told XINHUA that the Fujian delegation's visit to Indonesia was to learn valuable experiences of Indonesia on developing national economy and raising people's life standard under the leadership of president soeharto, to strengthen bilateral economic cooperation and friendly exchanges between the two countries, Fujian's ties with Indonesia in particular.

During the eight-day stay, Chen Guangyi and his party called on Radius Prawiro, coordinating minister for economic, financial and industrial affairs, Dr. J.B. Sumarlin, minister of finance, T. Ariwibowo, junior minister of industries, and Sukamdani S. Gitosardjono, former general president of the Indonesian Industry and Commerce Chamber. The delegation had contacts on various fields with Indonesian industrial and trade circles, and visited factories and enterprises in Jakarta, Surabaya, Bali and other places.

The Fujian delegation concluded visit to Indonesia and left here for home today.

#### 'Roundup' on UN Sanctions Against Cambodia's DKP

OW1911153392 Beijing XINHUA in English 1300  
GMT 19 Nov 92

["Roundup" by Qi Deliang]

[Text] Bangkok, November 19 (XINHUA)—Thai Government agencies are scheduled to meet next week to discuss the proposed U.N. economic sanctions against the Democratic Kampuchea Party (DKP) of Cambodia and find ways to minimize the possible impact on Thai traders.

Although the U.N. has not yet made its final decision on when to impose sanctions against the DKP, Thai traders, particularly those who have business with the DKP and the other three factions of Cambodia, have been pushed off guard by the news reports that the U.N. is going to do so.

News reports reaching here from the U.N. said the U.N. Security Council was preparing to impose sanctions against the DKP, including a ban on gem and logging trade and the sale of such goods as oil to the DKP, and its assets outside Cambodia would be frozen.

While expressing doubts about the effectiveness of the proposed sanctions, local press generally held that the sanctions would eventually affect the border trade between Thailand and Cambodia and deal a heavy blow to the Thai traders who have business in that country.

Since the signing of the Paris Peace Agreement on Cambodia last October, the border trade between Thailand and Cambodia has seen an unusual boom, with about 100,000 Thais engaging in the border trade. Thai private enterprises and businessmen have invested some 400 million U.S. dollars in logging and gem industry in western Cambodia, which could be badly affected by the forthcoming trade ban.

In the case of gem industry, the DKP controlled Pailin area is said to have some of the highest quality gems in the world, namely sapphires and rubies. Several Thai private companies, equipped with machinery worth millions of U.S. dollars, have hired thousands of Thais to mine the gems. All those Thais would lose their jobs if the trade ban is imposed.

The Thai Government has stated on several occasions that economic sanctions against the DKP would not be effective and could not help solve the Cambodian problem. Prime Minister Chuan Likphai said early this month that the Thai government implements a free market policy and traders from Thailand and Cambodia should not be banned from trading with each other.

Foreign Minister Prasong Sunsiri also pointed out that economic sanctions against the DKP would not bring peace but renewed fighting to Cambodia based on the Thai experiences of dealings with the Cambodians for the last 13 years, and Thailand does not have such



military forces to seal off the 800-kilometer-long Thai-Cambodian border if asked for.

Prasong stated on Wednesday that Thailand would be responsible for its border with Cambodia in compliance with the looming U.N. resolution to prod the DKP to adhere to the Paris agreement and the Thai Government would cooperate with the U.N. on measures that are practical in the resolution as long as it does not go against the Thai laws and country's sovereign rights.

He also urged U.N. Secretary-General Butrus Ghali to take views of Thailand into consideration before making a final decision on sanctions against the DKP, warning again that any severe measures imposed on the DKP by the U.N. could lead to a civil war in Cambodia.

To let the Thai traders get prepared beforehand, Prasong asked 50 of them to a meeting here Wednesday to seek their views on the proposed sanctions. Those who attended the meeting were fully aware that they, not the DKP, would be most hurt by the U.N. sanctions.

Some of them even asked the U.N. peace-keeping forces in Cambodia to re-examine their policies to determine why a more lenient approach had not been implemented towards the DKP.

The Thai military has pledged to comply with government measures after the U.N. resolution is adopted and would not allow the U.N. to station its troops on Thai soil without the government's consent.

If the U.N. sanctions come into effect, local press said, that will force Thailand, which has made great contributions towards the Cambodian peace, to make "more sacrifice" again. If that happens, tens of thousands of Thais along the border would join the ranks of unemployment, it was pointed out.

### Near East & South Asia

#### Supreme Court President Meets Iranian Prosecutor

OW1811131792 Beijing XINHUA in English 1300  
GMT 18 Nov 92

[Text] Beijing, November 18 (XINHUA)—Ren Jianxin, president of China's Supreme People's Court, met with Hasan Fakheri, first vice-prosecutor of Iran, and his party at the Great Hall of the People here this evening.

After the meeting, Ren gave a dinner in honor of the visitors who arrived here yesterday after attending an international seminar on the prevention, adjudication and rehabilitation of juvenile delinquency held in Shanghai.

#### New Ambassador to Oman Presents Credentials

OW1911101092 Beijing Central People's Radio  
Network in Mandarin 1700 GMT 16 Nov 92

[From the "International News and Current Events" program]

[Text] Zhang Zhixiang, newly appointed Chinese ambassador to the Sultanate of Oman, presented his credentials to Qabus Bin-Sa'id, sultan of Oman, at the (Mascatch) Palace on 15 November.

After the ceremony, the two sides had a cordial and friendly conversation.

Qabus praised the traditional friendship between the Omani and Chinese peoples, and hoped that the two countries' friendly relations and cooperation will continue to consolidate and develop.

#### NPC Delegation Leaves for Bangladesh, Nepal, India

OW1811072092 Beijing XINHUA in English 0700  
GMT 18 Nov 92

[Text] Beijing, November 18 (XINHUA)—A delegation of the Chinese National People's Congress (NPC) led by Liao Hansheng, vice-chairman of the NPC Standing Committee, left here by air today on a goodwill visit to Bangladesh, Nepal and India.

The delegation has been invited by the National Assembly of Bangladesh, the House of Representative of Nepal and the Lok Sabha of India.

#### Nepalese Ruling Party Delegation Leaves Beijing

OW1711203992 Beijing XINHUA in English 1715  
GMT 17 Nov 92

[Text] Kathmandu, November 17 (XINHUA)—A 10-member high-level delegation of the ruling Nepali Congress (Party) returned here today after its visit to China and Korea.

Led by Party President and Former Prime Minister Krishna Prasad Bhattarai, the delegation visited China at the invitation of the Liaison Department of the Central Committee of the Communist Party of China.

Bhattarai told the press at the airport that he is satisfied with the visit and the opportunity to talk with Chinese leaders.

"The development of China is so tremendous that it is unmatched with our part of the continent," he said.

"Our party to party relation is increasing and I hope early next year a delegation of the Communist Party of China will visit Nepal," he added.

The delegation was met by party and government officials as well as Chinese charge d'affaires ad interim and Korean ambassador to Nepal.

## **Pakistani Finance Minister on Official Visit**

### **Signs Loan Accords With Li Lanqing**

*OW1911144192 Beijing XINHUA in English 1124  
GMT 19 Nov 92*

[Text] Beijing, November 19 (XINHUA)—An exchange of notes on China's offer of 100 China-made buses as a part of government loan to Pakistan was signed here today.

China's Minister of Foreign Economic Relations and Trade Li Lanqing and Pakistan's Finance and Economic Affairs' Minister Sartaj Aziz signed the documents on behalf of their respective governments.

Also signed was another exchange of letters on the extension of the time limit for Pakistan's repayment of China's long-term loans granted to Pakistan on May 9, 1980 and May 15, 1981.

Aziz arrived in China Sunday with a delegation he headed to attend the eighth session of the China-Pakistan Joint Economic and Trade Committee.

The agreed minutes of the four-day session was signed today by the two ministers.

State Councillor Wang Bingqian met with the Pakistani delegation in the Great Hall of the People this afternoon.

### **Meets Wang Bingqian**

*OW1911132992 Beijing XINHUA in English 1103  
GMT 19 Nov 92*

[Text] Beijing, November 19 (XINHUA)—State Councillor Wang Bingqian met with a Pakistani delegation in the Great Hall of the People here this afternoon.

The delegation, headed by Pakistan's Finance and Economic Affairs' Minister Sartaj Aziz, arrived here Sunday to attend the Eighth Session of the China-Pakistan Joint Economic and Trade Committee.

Wang said that Pakistan is one of the countries which enjoy longest diplomatic relationship with China and both countries have shown great sincerity in the bilateral cooperations.

The state councillor said he is confident of still better bilateral cooperation in future.

Aziz said he and Li Lanqing, Chinese minister of foreign economic relations and trade, have tried to explore various new fields where the two countries can strengthen cooperations.

He agreed with Wang that the relationship between Pakistan and China can serve as a model for the international community, especially among the developing countries to handle bilateral relations.

## **Notes 'Excellent' Relations**

*BK1911154992 Islamabad Radio Pakistan Network in  
Urdu 1500 GMT 19 Nov 92*

[Text] Federal Finance Minister Sartaj Aziz, who is currently visiting China, has had meetings in Beijing with the Chinese ministers for finance and energy and the deputy chairman of the planning commission. During these meetings he said that Pakistan's political relations with the PRC are excellent. He apprised the Chinese leaders of Pakistan's economic policy and particularly the far-reaching changes to induce foreign investors. The Chinese ministers assured Sartaj Aziz that China attaches great importance to its relations with Pakistan and it will make serious efforts to develop economic ties as well. Meanwhile, the Pakistani delegation members continued exchanges of views in groups with Chinese authorities on the three major spheres of trade, economic cooperation, and special projects.

## **Sub-Saharan Africa**

### **Trade Union Leader Meets Namibian Counterpart**

*OW1811124792 Beijing XINHUA in English 1221  
GMT 18 Nov 92*

[Text] Beijing, November 18 (XINHUA)—Ni Zhifu, president of the All-China Federation of Trade Unions, met with Tjekero Tweya, chairman of the National Union of Namibian Workers, here this evening.

The two sides had a cordial conversation.

The Namibian guest arrived here November 7 on a goodwill visit. During his stay in China, he also visited other Chinese cities including Shanghai, Suzhou and Wuxi.

### **Wan Li Talks With Sao Tome, Principe Guests**

*OW1911085892 Beijing XINHUA in English 0747  
GMT 19 Nov 92*

[Text] Beijing, November 19 (XINHUA)—Wan Li, chairman of the Standing Committee of China's National People's Congress (NPC), had a cordial talk with a delegation from the Democratic Convergence Party of Sao Tome and Principe here today.

Wan extended a warm welcome to the delegation, which is headed by Leonel Mario d'Alva, chairman of the party and president of the National Assembly.

Wan said China and Sao Tome and Principe have always enjoyed a good relationship.

The delegation's current visit has enhanced not only the relations between the Communist Party of China (CPC) and the Democratic Convergence Party of Sao Tome and Principe, but also the relations between the two parliaments, Wan said.

D'Alva said the people of Sao Tome and Principe won support from the Chinese people in their struggle for independence.

After its independence, Sao Tome and Principe immediately established diplomatic relations with China, and since then the two countries have engaged in mutually beneficial co-operation in many fields, he said.

He said the delegation's current visit has deepened its understanding of China and helped promote the friendly relations between the two parties and the two peoples.

Present at the meeting were Zhu Liang, head of the International Liaison Department of the CPC Central Committee, and Li Zhongying, deputy secretary-general of the NPC Standing Committee.

The delegation arrived here on November 14 for a goodwill visit at the invitation of the CPC Central Committee.

Then Zhu Liang held talks with d'Alva and his party in Beijing.

### West Europe

#### Zhu Rongji Holds 'Friendly' Talks With UK Leaders

OW1711234692 Beijing XINHUA in English 2331 GMT 17 Nov 92

[Text] London, November 17 (XINHUA)—Visiting Chinese Vice-Premier Zhu Rongji today held separate talks with British Prime Minister John Major and Foreign Secretary Douglas Hurd on bilateral relations and issues of common interest.

Describing the meetings as "friendly and frank", one Chinese official quoted Zhu as saying that China attaches great importance to the relations with Britain.

During the talks, Zhu outlined China's policy on opening-up and economic development, the official said.

Zhu pointed out that there is still great potential despite the improvement of the economic and trade relations between China and Britain in recent years. China's speedy economic development and its growth have provided a good opportunity for better cooperation between the two countries, he added.

Major expressed his appreciation for China's great economic development, in particular the achievement in the opening-up, according to the Chinese official.

Major said the British Government would promote its economic and trade relations with China to reach a possible new high level and believed that the prospect in this area would be wider.

Major and Hurd also discussed with Zhu the issue of Hong Kong.

Zhu called for the keeping of prosperity and stability in Hong Kong and a smooth transfer of the power in 1997. The vice-premier criticised the Hong Kong government for issuing a policy report making major changes in the territory's political system.

Zhu said that the Hong Kong government's move violated the 1984 Sino-British joint declaration and agreements on the territory's political system which was agreed to converge with the Basic Law.

The Hong Kong government's decision has created obstacles to the smooth transition of power and would be detrimental to the territory's prosperity and stability, Zhu said.

Zhu said the British Government should put in the first place the prosperity and stability in Hong Kong and interests of both Britain and China and go back into the lane of consultation and cooperation in the spirit of the Sino-British joint declaration.

#### Document on Possible Worsening Relations With UK

HK1811152092 Hong Kong TANGTAI in Chinese No 20, 15 Nov 92 p 6

[Article by Ho Po-shih (0149 0130 2457) from Beijing: "Beijing Has Prepared for the Worst in Case Relations With Britain Deteriorate"]

[Text] Recently, the Beijing authorities disseminated a restricted document to cadres at provincial, departmental, and army levels throughout the country, which clarified that the CPC high-level leadership will not compromise if Chinese-British relations take a turn for the worse. This document asks the departments and cadres that are involved in Hong Kong and Macao affairs to be on the alert for a situation which could very well arise.

We have learned that the document was disseminated after Chris Patten expressed a hard-line stance during his visit to Beijing. Prior to this, the CPC Central Committee Political Bureau studied the entire situation and decided to issue the above instructions of a policy nature.

A person who has read the document said that the document points out that Britain's decision to remove Hong Kong Governor David Wilson from office and send Chris Patten had been part of a systematic plan seeking to implement a strong line against China. The document accuses Britain of playing both political and economic cards. However, the central authorities have decided not to compromise.

In politics, Britain has exerted pressure on China and demanded faster democratization, with the purpose of making a mess of the Hong Kong situation. The question of elections is the first step. The document quotes some restricted material to explain that, in the past, Britain



had left many difficult problems to solve for local people when it withdrew from its colonies. The examples cited include the Chinese-Indian border issue (the McMahon Line); the Indian-Pakistan question; as well as the Kashmir, Sri Lanka, and Balkan issues. Britain left a pile of problems when it withdrew from these regions, such as local disputes, ethnic disputes, border issues, and political problems. These problems have remained unresolved for decades; for example, there is still a dispute over the Chinese-Indian border. Historical experience suggests that Britain will not withdraw willingly; it will always leave some problems. China should be on the alert for this and should take precautions against the recurrence of situations similar to those that took place when Britain withdrew from its other colonies.

In the economic field, Britain is primarily using the new airport project to exert pressure on China. The document points out that, if the situation continues to remain in a stalemate, the new airport project may possibly be aborted. If the new airport is left unfinished, the central government has an emergency plan. The document says that, according to the plan, there will be two runways in Shenzhen's Huangtian airport, but an area of land has been left for the construction of a third runway there. If the situation continues to remain deadlocked and Hong Kong's new airport project is aborted, the central government will build the third runway and will use two of the three runways for Hong Kong's purposes. It has been planned that a light railway will be built from Huanggang

port to Huangtian airport. The Huanggang-Huangtian light railway will be a "restricted type [feng bi shi 1409 7028 1709]" of railway. A plane will have its transit procedures completed in Huangtian after landing and will proceed to Hong Kong for entry procedures. This will actually extend the Hong Kong Special Administrative Region [SAR] to include part of Shenzhen. This plan will help solve the problem of overloading Kai Tak Airport after 1997. This is the significance of having three runways in Huangtian Airport.

The document points out that China does not want to see the new airport talks fail, and, therefore, it has given much consideration to Britain, but Britain is insatiably avaricious. China should thus prepare for the worst. To explain this problem, this restricted document also provides some data and examples as to the prices for tenders and the bidding prices, pointing out that most of the contracts were grabbed by British firms and describing how the British Hong Kong Government has been partial to British financial groups.

The document stresses that China will not change its stance on the new airport project. China's principles are as follows: It will not permit the land fund to be used; the bottom limit of a \$75 billion [Hong Kong dollars] reserve for the SAR Government set by the Chinese-British Memorandum of Understanding on the airport cannot be broken; and there must be a top limit for expenditure on the new airport.

**Political & Social****Coastal Cities To Institute 24-Hour Police Patrol***HK1911040092 Hong Kong WEN WEI PO in Chinese  
19 Nov 92 p 2*

[Dispatch from Beijing by staff reporter Chen Chien-ping (7115 1696 1627): "A 24-Hour Police Patrol System To Be Instituted in Coastal Cities Next Month"]

[Text] Beijing, 18 Nov—According to an authoritative source here in Beijing, the central authorities have decided to officially institute a 24-hour security police patrol system in all big coastal cities as of 1 December, 1992.

The source said that all big coastal cities, except for a few big cities, such as Beijing and Shanghai, will institute the 24-hour security police patrol system as of 1 December, 1992. The central authorities demand that all big cities in the country institute the new security system within the next one or two years and stressed that the system is a new measure aimed at promoting reform, opening up, and the building of a socialist market economic system. The central authorities had studied and assimilated the relevant experiences and practices of some foreign countries before deciding on the institution of the new security system.

The source expressed the belief that the institution of the new security system is bound to help advance the development of a market economy.

It was learned that after taking account of the insufficient number of public security police forces across the country, the central authorities have agreed to integrate four types of police forces—namely, armed police forces, public security police forces, penalty execution police forces, and riot police forces—and to ensure a unified and coordinated use of the combined police forces in a bid to provide sufficient police forces and have the new security system instituted at an earlier date.

**'Pen Talk' on Adherence to Basic Theory, Line***HK1911083592 Beijing RENMIN RIBAO in Chinese 2  
Nov 92 p 5*

["Pen Talk on Arming the Whole Party With Comrade Deng Xiaoping's Theory on Building Socialism with Chinese Characteristics" by Gong Yuzhi (7895 5148 0037): "The Fate of Socialism in China—Studying the Report to the 14th CPC National Congress, Unswervingly Upholding the Party's Basic Theory and Line"]

[Text] The 14th party congress has ended on a triumphant note. As the entire party and the people of the entire country warmly welcome the results of the party congress, they are also earnestly studying the report to the 14th party congress delivered by Comrade Jiang Zemin on behalf of the Central Committee. In conjunction with this, an upsurge in the study of Comrade Deng

Xiaoping's theories on building socialism with Chinese characteristics is also unfolding.

Speaking on the dramatic changes occurring internationally at the moment, the 14th party congress report raised the question of the "fate of socialism in China." The report stated: "The CPC has always insisted on carrying out revolution and construction independently, and it has always maintained that the fate of socialism in China is ultimately decided by ourselves, by the party's theory and line, and by the unity and struggle of the party and the people." In summing up the historical experiences drawn from the tremendous achievements and increasingly visible vitality of socialism in our country since the Third Plenary Session of the 11th CPC Central Committee, the congress further affirmed the theory and line on building socialism with Chinese characteristics as the basic theory and basic line of the party and outlined the strategic task of using Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics resolutely to arm and unite the thinking of the entire party. This is extremely important in deciding the fate of socialism in China. Just as was the case in arming and uniting the thinking of the entire party with Mao Zedong Thought, where, under the guidance of this thought, the birth and development of the PRC proved that in fighting and struggling alongside the Chinese people, the CPC could take control of the fate of China and achieve victory in its cause, the CPC will also be able to take control of the fate of socialism in China and achieve an even more brilliant victory in China's socialist cause by using Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics to arm and unite the thinking of the entire party, upholding steadfastly the basic theory and basic line of the party, and struggling alongside the Chinese people. This point will definitely be proven by history.

**1. Solemn Conclusion from History**

The 14th party congress report reviewed the great undertakings of the past 14 years and drew a solemn historic conclusion on the series of important decisions that the party had made in the process of achieving a new situation which turned history around and ushered in a new era.

Why was it necessary to do so?

Unifying the understanding of history is designed to have the entire party be better united and more forward looking on the basis of the correct theory and line which have been proven by practice. The "Resolution on Certain Historical Issues of the Party Since the Birth of the PRC" from the Sixth Plenary Session of the 11th CPC Central Committee played such a role. The conclusion drawn by the resolution on certain historical issues covered the period up to 1980 and no specific historical conclusion was made after that year. Moreover, of greater significance are the important events which took place at home and abroad and which caused everyone to reflect calmly on the past, present, and the future. Our

line and our many decisions, including the resolution on certain historical issues—are they correct? Not long after the political upheaval which took place in the spring and summer of 1989, Comrade Xiaoping already stated: "With this upheaval, does it mean that there is a problem with the correctness of the line, guidelines, and policies that we have formulated?" He believed that an explicit and positive answer should be given to these major problems. He said: "I have been thinking about this problem lately." And his reply was: "We were not wrong." "Some of our basic statements, from the development strategies to the guidelines and policies, including reform and opening up, are correct." This question resurfaced in the minds of some comrades after the dramatic international changes of the past year. The talks of Comrade Xiaoping during his southern tour early this year again provided the answers. He said: "That our country grew so fast within a short span of a dozen years has delighted our people and attracted world attention. This is enough to prove the correctness of the line, guidelines, and policies since the Third Plenary Session. It will not change even if someone wants it to. In short, there is just one word: Carry on unswervingly these line, guidelines, and policies."

It was in line with the spirit of these talks of Comrade Xiaoping that the 14th party congress report assumed the solemn task of drawing a historical conclusion on the line, guidelines, and major policies formulated since the Third Plenary Session of the 11th CPC Central Committee. Drawing a conclusion on and affirming these major policies before the national party congress is very advantageous in the efforts to unify the thinking of the entire party and uphold unswervingly the party's basic theory and basic line.

In the section where it reviewed the past history, the 14th party congress drew conclusions on 14 major policy decisions. They started from the important decision to launch the great discussion on practice as the sole criterion for evaluating truth and criticism of the "two whatevers" 14 years ago, and ended with the talks of Comrade Xiaoping in his southern tour early this year where he called for further emancipation of the mind and the key decision made by the Central Committee's Political Bureau to accelerate reform and opening up as well as the pace of construction. They not only reflected efforts to bring order out of chaos in the ideological, political, and organizational lines as well as clarification of right and wrong in history, but they also illustrated the surging progress that reform has made in penetrating from the countryside to the cities, from the economic system to other systems, and from opening up internally to opening up externally. They included decisions to establish major strategic guidelines, including those on shifting the focus of the entire party's work to economic construction and observing calmly and dealing soberly with dramatic international changes while gathering our resources to perform our tasks well; they also included decisions to establish major theoretical viewpoints, including the viewpoints on the initial stage of socialism

and on a socialist commodity economy. Conclusions were also made on the system of contracted responsibilities on the household basis, with payment linked to output, on whether the special economic zones were surnamed "socialism" or "capitalism," and on the merits and demerits of the feverish economic growth of 1984 to 1988. Assessments were also made of several historic meetings—the Third Plenary Session of the 11th CPC Central Committee, which signaled the beginning of a new era and formation of a new basic line; the Sixth Plenary Session of the 11th CPC Central Committee, which drew up the historic resolution and basically completed the task of bringing order out of chaos in the guiding ideology; the 12th CPC National Congress, which raised the great banner of "building socialism with Chinese characteristics" and proposed the strategic objective of "two-step advance" (later developed into "three-step advance"); the Third Plenary Session of the 12th CPC Central Committee, which provided for a comprehensive economic structural reform centered on the cities; the Sixth Plenary Session of the 12th CPC Central Committee, which established the leading guideline of building socialist spiritual civilization and which pointed out the need to carry out long-term education and struggle against bourgeois liberalization; the 13th CPC National Congress, which systematically expounded on the theory of the initial stage of socialism and explicitly summarized the basic line of "one center, two basic points;" the Fourth Plenary Session of the 13th CPC Central Committee, which elected a new central leading collective and announced that the party's basic line remains unchanged after quelling the political upheaval of 1989.

Our party made many more policy decisions in the past 14 years, but these 14 were the most important, as they illustrated the huge and firm steps taken by our party in the new historical period along the road that it has opened up and demonstrated the victorious progress achieved in the gradual formation and evolution of our party's basic theory and basic line in the new historical period.

It is very clear that making these decisions was not very easy, as many of them were not without dissenting views or of people who could not keep up with them for a while. In his talks during his southern tour, Comrade Xiaoping stated: "Today, there are rightist things which influence us as well as 'leftist' things, too, but it is the 'leftist' things which are deep-seated." "China should be on the alert for rightist tendencies, but mainly guard against 'leftist tendencies'." This refers not only to the experiences and lessons from the period of the democratic revolution as well as from those after the birth of the PRC, but it also refers to the experiences and lessons from the past 14 years. To resolve these problems, one creation from the last 14 years is to refrain from arguments and from carrying out criticisms and movements, and instead mainly look at practice. Practice is the sole criterion for assessing the truth, practice is the best argument, and practice advances people's understanding.



The correctness of the party's major decisions in the last 14 years and that of its basic theory and basic line can be attested by practical results, while a solemn historical conclusion is drawn by the 14th party congress. This double authority provided for by science and organization enables the entire party to reach a consensus which is greatly conducive to our efforts to advance even more steadfastly and resolutely along the path we have opened up.

## 2. New Theoretical Generalizations

The main features of the theory on building socialism with Chinese characteristics have been summed up many times in the documents of the party. What are the special features of the new generalization drawn at the 14th party congress on the basis of these summations?

One. This new generalization fully reflected the spirit of the talks of Comrade Xiaoping during his southern tour. The talks offered new and important viewpoints to the theory of building socialism with Chinese characteristics and also new and important expositions of viewpoints previously discussed.

Two. This new generalization was expounded in particular from the high theoretical plane concerning the basic problems of socialism, including the nine problems on the path of socialist development, stages of development, basic tasks, drive for development, external conditions, political guarantees, strategic steps, leadership capability, and sources of support, as well as the use of the "one country, two systems" to complete the unification of the motherland. The report pointed out: "This theory has for the first time given preliminary but systematic answers to a series of basic questions about how to build, consolidate, and develop socialism in a country with a backward economy and culture like China, and it has also carried forward and developed Marxism by introducing new ideas and viewpoints."

The "first time" referred to here does not mean nonrecognition of the results from the pursuit of answers in the past. The results gained from the past are very important, and we should inherit all positive results. But they are not systematic enough and contained many shortcomings and flaws. The answers obtained today are more systematic and correct. Of course, they are still preliminary and will have to be subjected to tests and further development in future practice.

The basic question of socialism is discussed here in light of realities in China and deals with character, that is, Chinese characteristics. Of course, it is also discussed in connection with history since the publication of the "Communist Manifesto" and the current changes in the international situation. Character contains common features. But we use our own theory to guide our practice and will never impose it on others.

Three. This new generalization offers a new thesis on the background of the theory of building socialism with Chinese characteristics (peace and development as the main theme of the period), its practical foundation

(reform, opening up, and modernization endeavors), historical experiences (summing up the historical experiences drawn from our socialist victories and setbacks, and borrowing from the historical experience derived from the rise and fall of other socialist countries), theoretical sources (a product integrating Marxism-Leninism with the special features of China's realities and era, and a continuation and development of Mao Zedong Thought), collective wisdom, and individual contributions. That is to say: It offers a definition of the theory on building socialism with Chinese characteristics.

The theory on building socialism with Chinese characteristics is the crystallization of the collective wisdom of the second generation of central leadership. Members of this collective leadership, particularly those who belong to the older generation of revolutionaries, contributed to the creation of this theory based on the conclusion of the experiences of the entire party and the people of the entire country. And naturally it is Comrade Xiaoping who made the most important historical contribution. This theoretical outcome is illustrated in the works and speeches of Comrade Xiaoping as well as in documents like the reports and resolutions of the party congresses and the CPC Central Committees.

Comrade Xiaoping very much emphasizes popular creation. In his talks during his southern tour, he said: "The system of contracted responsibility on household basis with payment linked to output was carried out in the countryside and the patent right belongs to the peasants. Many of the good things in rural reform were created at the grass-roots level, and we merely processed and upgraded them to serve as a guide around the country." This was most prominent in the rural reforms, but was also true in many other areas. The report of the 14th party congress pointed out: Comrade Xiaoping "respects practice and the masses, and he always pays great attention to the interests and aspirations of the people. He is adept at summing up the experience and creation of the people, and quick to seize upon the pulse of the times and opportunities when they present themselves. He has carried forward the fine work of our predecessors, and at the same time, he has broken with outmoded conventions, displaying his great political courage by blazing a new path to socialism, and his great theoretical courage by opening new perspectives in Marxism."

I agree very much with this view: What are the changes which have taken place in the century following the death of Marx? Given these changes, how should Marxism be understood and developed? This should be clarified. It is absolutely impossible to ask Marx to resolve all the problems which have appeared 100, 200, or 1,000 years after his death. Likewise, Lenin cannot bear responsibility for the things which emerged 50, 100 years after he passed away, and cannot therefore be asked to resolve these problems. The genuine Marxist should understand, inherit, and foster Marxism based on the current situation. Failure to use new ideas and viewpoints to inherit and develop Marxism is not genuine Marxism.

Deng Xiaoping's theory on building socialism with Chinese characteristics is the great product resulting from the continuation and development of Marxism by the contemporary Chinese communists with new ideas and viewpoints.

### 3. Concentration of Experience

The report of the 14th party congress pointed out: "The experiences drawn from practice over the past 14 years can be summed up in one sentence: We must adhere firmly to the party's basic line guided by the theory of building socialism with Chinese characteristics. This is the most reliable way to ensure that our cause will stand tests and trials and smoothly reach our goal."

In adhering firmly to the party's basic theory and basic line, it is necessary to adhere firmly to economic construction as the central task, with the entire party and the people of the entire country wholeheartedly gathering their efforts to engage in socialist modernization. To this end, it is necessary at the same time to adhere firmly to reform and opening up as well as to the four cardinal principles.

Raising the issue of "being firm" and "remaining unchanged" complies with historical foundation and realistic needs. The report of the 14th party congress stated: "In the past, we have had the grave lesson of having turned away from the central task of economic construction because we did not have a clear understanding of certain international and domestic events." This refers to the situation following the First Session of the Eighth CPC National Congress in 1956. The First Session of the Eighth CPC National Congress had affirmed that the principal contradiction in our country's society was the "contradiction between the people's need for rapid economic and cultural growth and the failure of the current economy and culture to satisfy the people's needs." Before and after this meeting, the party repeatedly spoke of the need to shift the focus of work to economic construction. However, influenced by international events which took place at that time and by the expansion of the anti-rightist struggle in the country, we gradually changed our correct assessment on the principal contradiction in China's society, thus wavering from the correct line outlined at the First Session of the Eighth CPC National Congress; instead, we again stressed class struggle and the struggle of the two roads of socialism and capitalism as the key. This kind of "leftist" error grew further owing to our subsequent failure to deal soberly with certain international and domestic incidents, and eventually ended with the outbreak of the "Cultural Revolution" which brought about a decade of chaos. This historical lesson was indeed extremely severe.

In his opening remarks at the 12th CPC National Congress, Comrade Xiaoping said: "Compared with the Eighth CPC National Congress, our party now has a deeper understanding of the laws governing socialist construction in China, it has richer experiences, and it

has also greatly boosted its awareness and determination to implement our correct guidelines." This is indeed the situation. Since the Third Plenary Session of the 11th CPC Central Committee, we have had our share of international and domestic disturbances. The tendency to deviate more or less from the central task of economic construction and to waver from the party's basic line is not impossible if these international and domestic events are not dealt with soberly. However, the party Central Committee with Comrade Xiaoping at the core correctly and calmly dealt with and handled these incidents, and at the same time, it remained unruffled and did not veer away from our established line of economic construction as the center and of upholding reform and opening up as well as the four cardinal principles because of these incidents. It was in this way that the party Central Committee took control of the situation and educated the entire party as well as the people of the entire country.

For example, in 1984, not long after proposing that the ideological front should not engage in spiritual pollution, there was much discussion both at home and abroad. Comrade Xiaoping repeatedly pointed out: Some people are concerned about our policy changing; "I say it will not change." "We have to explain to the world that no one can change these guidelines, policies, and strategies that we have formulated today. Why? Practice has proven them to be correct, and if they are changed, then the country will suffer and so will the people; hence, the people will not agree to that."

After the education and struggle against bourgeois liberalization was launched in 1987, Comrade Xiaoping again stated: "There is some talk in the world about whether or not China will change its established guidelines and policies. It will not. It has been eight years now and since the guidelines and policies are effective, why should they be changed?" He added: "This question of 'no change' is one discussed fervently by the people. I am also convinced that it will continue to be discussed at the end of this century and until the next century. We must use facts to prove this 'no change'."

The seriousness and shocking impact of the domestic disturbance in 1989 as well as the dramatic international changes in the recent two years cannot be matched by the international and domestic events which we have encountered in the past decade. However, thanks to the revolutionaries like Comrade Xiaoping who have rich political experiences and far-sighted strategic vision and who took control of the situation, our party Central Committee handled the domestic incident decisively while also dealing calmly with the changing international situation, and used facts to prove that our line on economic construction as the center and integration of the two basic points remains "unchanged."

The talks delivered by Comrade Xiaoping in his southern tour this year is a manifestation of this kind of wisdom and farsightedness. It is of incalculable significance to our efforts to uphold the party's basic theory

and basic line unswervingly, to be on alert against waverings from the right, and guard mainly against waverings from the "left."

With the lessons drawn from the deviation from the central task of economic construction because of the failure to deal with certain international and domestic events soberly after the First Plenary Session of the Eighth CPC National Congress, and the experiences derived from the adherence to the central task of economic construction, reform and opening up, and the four cardinal principles because of the ability to deal with certain international and domestic events soberly since the Third Plenary Session of the 11th CPC Central Committee, we should be more conscientious in upholding the party's basic theory and basic line unswervingly and be more sober-minded in standing up to the tests and trials which we are bound to encounter in the long process of modernization in the future so that we can arrive more smoothly at our goal of basically realizing socialist modernization.

The report of the 14th party congress summed up the reform and opening up as well as modernization endeavors since the Third Plenary Session of the 11th CPC Central Committee as "yet another great revolution." In describing it as a revolution, it refers, on one hand, to the revolution of the system, and at the same time, it means that it will fully display the superiority of socialism over capitalism in China and enable socialism to score a tremendous victory over capitalism. By upholding the party's basic theory and basic line unswervingly until China achieves socialist modernization, the question of "the fate of socialism in China" will eventually be resolved. This will naturally have an enormous impact on the fate of world socialism.

### Article on Streamlining Administration, Part Three

HK1411040492 Beijing LIAOWANG in Chinese No 38, 21 Sep 92 pp 14-15

[Article by staff reporter Liu Jinghui (0491 2417 2037): "Where Is Fundamental Way Out for Institutional Reform?—Survey and Thoughts on Institutional Reform, Part Three and Last Part"; Part One was published in the 23 October China DAILY REPORT, beginning on page 18, and Part Two was published in the 13 November China DAILY REPORT, beginning on page 34]

[Text] Institutional reform has many aspects and produces a great impact on society. For many years past, we have carried out institutional reform by simply consolidating two or more offices into one to reduce shock. Such a practice could insulate society from collision or enable it to steer clear of contradictions, thus achieving temporary "stability," but failing to check rapid overstaffing trends. Therefore, to make institutional reform successful, we must find a practicable approach to the problem, an approach that will not dodge contradictions.

### The Key Lies in Changing Functions

The key to successful institutional reform lies in changing government functions.

China's government institutions were basically modeled on a planned economy formula. For a long time past, the government directly led and administered various economic activities, including enterprise production and operation, by issuing orders, confusing its terms of reference with the enterprise's. As a result, as the economy grew and society progressed, offices and staff increased by a big margin. Therefore, if the government refuses to change its functions of directly administering the economy, institutional reform will not be successful.

According to a source concerned, in the next stage of institutional reform, government functions will be changed in accordance with the principle of "separating functions of the government from those of enterprises, exercising proper macrocontrol, and allowing microflexibility." The status of the government and enterprises in economic activities and relations between the two will be clarified. Government functions which should be exercised must be exercised well while those which should be abolished or which have been exercised excessively or too rigidly must be revoked or weakened.

Government functions which should be improved and strengthened are: 1) **Protecting state ownership of state-owned assets according to law;** 2) "drawing up plans, coordinating efforts of various fields, exercising supervision, and providing services" in organizing and administering economic activities, namely, formulating industrial policies and strategies for social and economic development; ensuring stable and coordinated development of the national economy by economic and legal means; committing enterprises to implement laws and statutes, pay taxes, and raise service efficiency [shi yong xiao yi 0169 3938 2400 4135] of state-owned assets; setting up a perfect social security system; and nurturing and developing a market system, etc; 3) improving the government's macroeconomic control and regulation and using the government's industrial, financial, taxation, monetary, and price policies to ensure healthy and coordinated operation of the national economy.

In institutional reform, we must abolish professional economic departments directly controlling enterprises and really delegate autonomy over production and operation to enterprises so they will, as corporate bodies, enter the market and become commodity producers and managers who are truly responsible for their own management decisions, profits, and losses, and who practice self-restraint and develop on their own initiative. In the meantime, we should weaken the government's logistics departments and affiliated organizations and take measures to make the government's service offices serve the society, putting an end to the practice of government offices running the society.

In institutional reform, we must determine what offices should be set up in the government and what offices



should be revoked in accordance with the principles mentioned above. We should define in quantitative terms the managing powers [shi quan 0057 2938] and terms of reference of those offices which should be set up in accordance with their functions and determine their size in a scientific way.

In the process of institutional reform and changing government functions, we should be aware that: 1) Changing government functions does not mean allowing government departments to do business or run enterprises. Administrative organs are strictly forbidden to do business or run enterprises. 2) Professional economic departments which have been abolished can be directly turned into economic entities. But the entities must disengage from the treasury as soon as possible and shall not exercise administrative functions as government departments. 3) After being turned into economic entities, central departments formerly in charge of economic affairs shall not establish themselves as competent authorities for enterprises of the same trade as their own. They should be equal to other enterprises in market competition.

#### **Straighten Out Relations and Carry Out Overall Reforms**

In the next stage, we should not only reform government organization, but should also carry out overall reforms, including reforms of the administration and management systems. To this end, we should rationalize the relationship between the party and government, between politics and daily routine, and between the central and local governments.

How to draw a clear distinction between the powers of the party organization and those of the government is a hard nut to crack. Whenever we mention institutional reform, we usually refer to reform of government organization to the neglect of reform of party organization. As a result, we fail to separate party organization from the government. Failure to define the government's competence makes government administrative restructuring produce very little effect. Therefore, in carrying out institutional reform, we must draw a clear distinction between the powers of the party and those of the government and specifically define the party's leading status and leadership system in a legal form.

According to an authoritative source, in the next stage, institutional reform will be carried out according to the principle of separating the party from the government with a view to further strengthening and improving party leadership, consolidating the party's status as a ruling party, and setting up a highly efficient and flexible working system for the government. Party leadership should find expression in political, ideological, and organizational leadership. In separating the functions of the party and the government, we should set forth different requirements for different levels and different departments and in accordance with different conditions. For offices at

county level and below, we should not place too much emphasis on separating the functions of the party and the government.

For a long time, China adopted an administration system with highly centralized power. Local government had limited powers, especially over financial affairs. No matter what it did, big or small, the local government had first to ask the central department concerned for support. The central department often made things difficult for the local government even if the latter was put in charge of its own affairs. The decade-long economic restructuring battered at the administration system with highly centralized power, but the system basically remained intact and the relationship between the central and local governments in terms of their powers and functions was unclear. Sometimes the central government accused local governments of having their own way while local governments criticized the central government for not displaying democracy. In the next stage of institutional reform, we should scientifically demarcate relations between the central and local governments in terms of their managing powers, functions, and responsibilities. Power that should be centralized should be centralized, while power over economic affairs that should be decentralized should also be decentralized. The administration system with highly centralized power should be changed. In the meantime, we should be clear that stratified administration means different levels take care of matters within their own jurisdiction instead of setting up corresponding offices at different levels. We should integrate institutional reform of the central government with that of local government.

Integration of politics and daily routine is a long-standing big drawback of China's administration and management systems and also a major reason for rapid overstaffing and heavy financial burdens. In the next stage of institutional reform, while reforming party and government organs, we should also reform institutions in an all-around way. We must distinguish functions of institutions from those of administrative offices. No administrative functions should be entrusted to institutions. Other than a small number of institutions which will be totally or partially supported by the treasury, most institutions should be run as enterprises and disengage from the treasury.

#### **Mutually Supportive Reforms Should Be Accelerated**

To ensure that institutional reform will proceed smoothly, we should also step up reform of the cadre management and wage systems—as mutually supportive reforms—and deepen economic restructuring.

It is learned that reform of the cadre management system will be carried out according to the principle of separating the party from the government, the functions of government from those of enterprises, and politics from daily routine. Cadres will be classified for management. Cadres of enterprises, teachers, cadres of party and government departments, military cadres, and cadres of

institutions will fall into different categories. Different recruiting and work-assigning systems will be established. Administrative cadres will be invariably recruited by the state. University graduates and demobilized military cadres who apply for government jobs must attend an examination. After they are recruited they will be sent to an administration college for training. In the meantime, the current labor and employment systems will be reformed, the work-assigning system for university graduates and polytechnic school graduates and measures for finding jobs for demobilized military cadres readjusted, and a regulatory mechanism for talented people established.

The existing single-mode wage system will be changed and a wage system combining structural payment with grade payment [jie gou gong zi jia deng ji gong zi zhi du 4814 2845 1562 6327 0202 4583 4787 1562 6327 0455 1653] will be introduced. Among cadres of party and government departments, only a few leading cadres will have their payment raised when they receive promotion while most office cadres will not be promoted very quickly. Some people may work for the same section or office for life without attaining promotion. People's achievements in their official career should be affirmed by their administrative ranks. The administrative rank of those cadres whose posts remain unchanged for a long time should be upgraded and their wages increased simultaneously. This will serve to stabilize the contingent of cadres and ensure that they will provide effective service.

Regarding economic restructuring, on the one hand, through the decade-long reform, the relationship between the government and enterprises experienced considerable change, and there was also a change in the systems involving capital, price, planning, and materials. All this has paved the way for accelerated institutional reform. On the other, past reform failed to remove the disadvantages inherent in the traditional economic system and the principal problem of reform of state-owned enterprises was held up. At present, like state organs, state-owned enterprises employ 10 million cadres, who are similar to state personnel in nature. As property-right relations have yet to be rationalized, nobody can tell whether these enterprise cadres are "officials" or commercial personnel. This made management of the enterprises and of their workers difficult. Therefore, we must deepen economic restructuring to separate the functions and responsibilities of administration from those of management and "separate ownership of the enterprises from their management." This will greatly promote institutional reform.

In addition, to ensure that institutional reform will proceed smoothly, we must expedite reform of the social security system to create favorable social conditions for streamlining staff.

### **Institutional Development Should Be Put on a Legal Basis**

Administering according to law is the basis and symbol for a modern government. To ensure that the results of institutional reform will be consolidated and that administration will have basic standards and procedures to go by, we must put institutional development on a legal basis.

In our political activities, "rule by law" was replaced by "rule by man" to a rather serious extent, and party and government administrative departments were usually the source of "rule by man." People looked forward to substituting "rule by law" for "rule by man," but there were no laws governing our administrative activities, the functions and responsibilities of administration were not separated from those of management, and administrative personnel had difficulty administering according to law. Therefore, putting institutional development on a legal basis is a reliable guarantee for favorable operation of government offices.

**We should enact laws for institutional development along two lines. 1) Enact procedure laws governing setting up of offices and their administration. We should clearly define the conditions for setting up an office and the procedure for expanding or reducing its size in the form of law. 2) All offices and departments must formulate their own entity [shi ti 1395 7555] laws, defining standards, functions, responsibilities, and sizes of various offices in the form of law. All administrative offices must work according to entity laws. By so doing, we will be able to set up a complete legal system governing administration and management, putting an end to "rule by man" in administrative offices, a phenomenon found everywhere.**

According to an authoritative source, beginning next year, the State Council and local governments will carry out institutional reform. In 1995, the system of public service will be introduced in a comprehensive way at the central and provincial levels. Undoubtedly this is a major move in China's efforts to reform its administrative structure. However, institutional reform is a complicated and systematic project. To make it successful, every state cadre will come up against a difficult test and they must put in a lot of hard work.

### **Li Tieying Addresses Higher Education Meeting Close**

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[Text] Beijing, 18 Nov (XINHUA)—A five-day national work conference on higher education closed today in Beijing. Li Tieying, member of the Political Bureau of the CPC Central Committee and state councillor, delivered an important speech at the closing meeting.

Li Tieying said that the 14th CPC National Congress was convened at a critical time as our country's reform, opening, and modernization construction enter a new

phase. Comrade Jiang Zemin's report presented at the congress on behalf of the CPC Central Committee fully reflects the spirit of the remarks made by Comrade Deng Xiaoping during his south China inspection and his consistent thinking. The report inherited and developed the line, principles, and policy that the party has followed since the Third Plenary Session of the 11th CPC Central Committee, and scientifically summed up the great practice of our party and the people in the past 14 years. Li Tieying said the central task for all levels of leaders who work at the educational front is to do a good job in studying, propagating, and implementing the guidelines set forth at the 14th CPC National Congress and to unswervingly adhere to the party's basic line for 100 years. He called on all those who work at the educational front to closely integrate the study of the guidelines with the reality in educational work, so that the congress' spirit will genuinely make cadres and teachers more motivated, and will become a strong motivating force to promote educational reform and development.

Li Tieying stressed: The most important thing in adhering to the party's basic line at the educational front is to make education subordinate to and serve the central task of economic construction. Education serving economic construction and helping liberate and develop productive forces should be made a fundamental guiding thought for educational work, and the efforts to establish an educational system that is compatible with a socialist market economic system should be made a main objective of the educational system reform. He said the fundamental guarantee for doing a good job in education is to adhere to the four cardinal principles, fully implement the party's education policy, and use Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics to arm our thinking. He particularly stressed the importance of emancipation of the mind and of seeking truth from facts. He pointed out that the educational front is presently faced with an urgent task of accelerating reform and development. To promote the modernization of education, it is necessary to further emancipate the mind, change the mind-set, and renew educational thinking and concepts. We should not only be adept at summing up our own good experiences, but we also need to boldly absorb and borrow good teaching-management experiences, teaching contents, and methods from foreign countries, including those from capitalist countries.

When turning to the situation and tasks faced by the educational front, Li Tieying said that the 14 years since the Third Plenary Session of the 11th CPC Central Committee were the fastest and best period in the development of higher education since the founding of the Republic. Our country's higher education, however, is still not adapted to the requirements of socialist modernization construction. The pace of the reform of higher education is still slow. As the state is overly involved in school management, schools lack vitality. Teaching systems, contents, and methods are divorced

from reality in varying degrees. Li Tieying said the only way to solve these problems is to unswervingly implement the party's basic line, accelerate the pace of reform, and vigorously develop higher education.

Li Tieying pointed out that the 1990's is a critical period for our country's socialist modernization construction, and that higher education must assume the important tasks of training specialized personnel for socialist construction and of developing science and technology. Accelerating the development of higher education has a major significance on promoting the growth of the economy to new heights and of realizing the second-step strategic goal. He said the development of higher education should not be understood as a mere expansion of scale. Raising educational quality and scientific research levels is more important than that. For a considerable period in the future, the state will concentrate efforts on the gradual raising of the academic level of about 100 key universities and colleges, on improving the teaching of a number of key academic disciplines, and on making some universities become the world's best by the end of this century. As for other schools, they should strive to raise academic quality and display their own characteristics. Resolute steps should be taken to check the erroneous tendency of indiscriminate opening of schools; making illegal collection of fees; inordinate awarding of diplomas; and of blindly expanding schools in disregard of their conditions and quality.

Li Tieying suggested paying more attention to solving problems in reform of the higher education structure. He said the government should be less involved in school operations and give them more management autonomy. As for schools, they should make efforts to do away with egalitarianism, deal with over-staffing, and eradicate bureaucratism. He called on all levels of educational management departments and higher institutes of learning to give priority to deepening teaching reform, gradually introduce a teaching system that is adapted to the socialist modernization requirements, and realize education modernization in order to meet the requirements of "gearing toward modernization, of paying attention to world developments, and of facing the future."

In conclusion, Li Tieying said that the establishment of a higher education structure is an arduous and complex project, requiring vigorous promotion, a spirit of seeking truth from facts, and meticulous organization. He expressed the hope that various levels of party committees and governments, will, under the new situation, firmly follow the call of the 14th CPC National Congress for placing education in a strategic position, giving priority to the development of education, increasing input in education, working out ways to improve education conditions and teachers' working and living conditions, helping schools solve difficulties and practical problems, enhancing leadership, rendering great support to educational reform and development, and helping raise work in higher education to another new level.



At today's closing ceremony, Li Tieying and other leading comrades also awarded prizes to winners who took part in the Second National Contest of Excellent Teaching Materials For Higher Institutes of Learning and to winners for outstanding academic work.

### **Speaks at Uygur Cultural Festival**

*OW1911081692 Beijing XINHUA Domestic Service in Chinese 1306 GMT 16 Nov 92*

[By reporter Zhu Dongju (2612 0392 5468)]

[Excerpts] Beijing, 16 Nov (XINHUA)—A "Chinese Uygur Mukamu Cultural Festival" in honor of ethnic culture was launched in Beijing today.

On behalf of the State Council, Li Tieying, member of the CPC Central Committee Political Bureau and state councillor, extended a warm welcome to experts, scholars, writers, and artists from home and abroad attending the festival. In his speech, he said: All Chinese ethnic minorities have their own cultures which make them different from others. The Chinese Government, always attaching importance to inheriting and developing the traditional culture of ethnic minorities, has formulated a series of policies and laws for developing ethnic cultures and adopted necessary measures to advance the cause of ethnic cultures.

Li Tieying said: Programs to be performed by Chinese artists and academic exchanges between foreign and Chinese experts and scholars during the festival will help promote the development of "Mukamu" and increase the understanding of the culture among people of various ethnic groups, countries, and regions. He encouraged the festival's participants to, under the guidance of the spirit of the 14th CPC National Congress, further strengthen national unity and contribute more to the flourishing of socialist culture.

The festival is cosponsored by the State Nationalities Affairs Commission, the Ministry of Culture, the Chinese Academy of Social Sciences, the All-China Federation of Literary and Art Circles, the Chinese Musicians' Association, and the Xinjiang Uygur Autonomous Region. [passage omitted]

Seypidin Aze, vice chairman of the National People's Congress Standing Committee; Ismail Amat, vice chairman of the National Committee of the Chinese People's Political Consultative Conference and vice minister in charge of the State Nationalities Affairs Commission; and officials from the relevant departments attended the opening ceremony today.

The festival is scheduled to close on 24 November.

### **Chen Junsheng Praises Zhejiang County for Donation**

*OW1911031992 Beijing Central People's Radio Network in Mandarin 1030 GMT 16 Nov 92*

[By reporter Yang Huimin; from the "National Hookup" program]

[Text] Zhejiang's Yin County, one of the most affluent in China, announced in Beijing today that it will, in the name of the county's 700,000 people, donate 700,000 yuan to support development of science and technology in the poorest areas.

The county also urged other affluent areas and all social sectors in the country to give financial support for the Dawn Project [shu guang gong cheng], a project that supports impoverished areas through science and technology.

State Councillor Chen Junsheng praised the county's initiative, saying that it must succeed.

Yin County rapidly became an economically developed county as result of the nation's reform and opening up policy. Over the last decade or so, the county has taken advantage of the opportunity and its good geographical location to set up rural enterprises and produce commodities for export. Consequently, its gross industrial and agricultural output soared from 600 million yuan in 1980 to 7.8 billion yuan in 1991. The output in 1992 is expected to exceed 10 billion yuan.

The county has not forgotten the poor areas after having become a prosperous county. In recent years, it has helped Jinning County through establishing ties with it, and the outlook of the county has changed tremendously. For this reason, Yin County has distinguished itself in Zhejiang as an advanced county in assisting poor areas.

The State Council Leading Group for Impoverished Areas' Economic Development and the State Science and Technology Commission will allot to impoverished areas Yin County's donation, development funds of the Dawn Project, and other funds for science and technology development in the form of interest-free or low-interest loans to increase these areas' ability to develop.

### **National Construction Association Congress Opens**

*OW1911113392 Beijing XINHUA in English 1035 GMT 19 Nov 92*

[Text] Beijing, November 19 (XINHUA)—The 6th National Congress of the China Democratic National Construction Association (CDNCA) opened here today in the Great Hall of the People.

During the nine-day congress the 570 representatives will elect new members of the CDNCA Central Committee, and examine and approve the new constitution of the CDNCA and the work report of its fifth Central Committee.

Li Lanqing, member of the Political Bureau of the Communist Party of China (CPC) Central Committee, read congratulations from the Central Committee.

Saying that the CDNCA has a glorious and patriotic tradition and is a close friend of the CPC, the message of congratulations urged the CDNCA National Congress to further unite and mobilize its members and the masses, carry out and develop its good tradition, open up new prospects for democratic construction and make new contributions to the country's economic development and social progress.

On behalf of the other non-communist parties, Lei Jieqiong, chairwoman of the Central Committee of the China Association for the Promotion of Democracy, conveyed congratulations on the opening of the congress.

Sun Qimeng, chairman of the fifth Central Committee of the CDNCA, presided over today's meeting and delivered the work report.

In the report, entitled "Actively Implementing the Guideline of the 14th National Congress of the CPC and Making Efforts To Open Up New Prospects for Democratic Construction", Sun said that during the four years of the fifth national congress of the CDNCA, the CDNCA has always stood shoulder to shoulder with the CPC, no matter what the hardships.

He said that the Central Committee of the CDNCA has participated in state affairs and offered many suggestions about economic construction.

He said the CDNCA has also contributed a lot to promoting the opening up, development of trade ties and reunification of the country.

According to statistics, the CDNCA, known as an organization mainly of notable figures from economic fields as its members, has more than 53,500 members now.

As the 1990s is the key period for China's economic and social development, Sun said, the major task of the CDNCA in the next five years is to adhere to the basic line of the CPC and try to open new prospects for its participation in state affairs and its own improvement.

#### **Shanghai's Zhang Weiguo Expelled From Work Unit**

*HK1911103792 Hong Kong MING PAO in Chinese 19 Nov 92 p 6*

["Special dispatch": "Since Zhang Weiguo Has Been Expelled From Shanghai Academy of Social Sciences, It Is Now More Difficult for Him To Apply To Go Abroad"]

[Text] News from Shanghai: Yesterday, Zhang Weiguo, former chief of the outlawed Shanghai SHIJIE JINGJI DAobao [WORLD ECONOMIC HERALD] Beijing office, was informed by the Shanghai Municipal Public Security Bureau of his "removal" (expulsion) from the Shanghai Academy of Social Sciences. After the expulsion, it will definitely be more difficult for the journalist, who "is still out on bail, awaiting trial," to apply to go abroad.

Even before this incident, the Shanghai Academy of Social Sciences had already stopped paying Zhang Weiguo's salary as of September.

Yesterday, Zhu Xingqing, former deputy chief editor of SHIJIE JINGJI DAobao, who was on his way to Australia to do academic research, commented here in Hong Kong upon learning of Zhang Weiguo's expulsion that he was outraged by Zhang's case. Zhu Xingqing, who was also expelled by the Shanghai Academy of Social Sciences at the end of last year, believed that it will definitely be more difficult for someone expelled from his own work unit to apply to go abroad because the relevant authorities will try to make things more difficult for him.

Zhang Weiguo has been "out on bail, awaiting trial" for more than a year, ever since the summer of 1991. He is still banned from leaving Shanghai. Although he has been invited to visit the United States, he is banned from applying to go abroad.

Sources here pointed out that on the mainland, once someone is "removed" from his work unit, his personnel files will be transferred to the relevant neighborhood and put under the control of the relevant neighborhood committee or some other grass-roots organization. It took over six months for Zhu Xingqing to apply to go abroad because he had to go through all the complex procedures after his expulsion from his work unit. His application was only recently approved. He was traveling as a visiting scholar to Australia, via Hong Kong, yesterday evening.

The 36-year-old Zhang Weiguo was imprisoned for one year and eight months in the wake of the 4 June incident. He was released from prison at the beginning of last year but was then detained and investigated once again by the authorities last summer as a result of his overseas connections. Later on, he was released on bail and allowed to await trial at home on condition that he not leave Shanghai and that he report to the police at any time if so requested.

SHIJIE JINGJI DAobao was forced to cease publication following the 4 June incident and the staff scattered all over. The authorities asked Zhang Weiguo to go back to the Shanghai Petrochemical Plant, his former work unit. However, thinking it inappropriate, Zhang refused and chose to become a freelance writer. The Shanghai Petrochemical Plant is situated in a remote suburban area. Before working for SHIJIE JINGJI DAobao,

Zhang Weiguo had worked as a legal adviser to the plant. However, after the 4 June incident, Zhang's solicitor's license was revoked.

In another development, an Australian parliamentary human rights delegation recently visited Shanghai and, according to a well-informed source, the authorities concerned in Shanghai banned some dissidents from meeting the delegation.

During its visit to Shanghai, no arrangements were made by the authorities for the delegation to meet the dissidents.

### **Intellectual Property Rights Becomes 'Hot Topic'**

*OW1911072392 Beijing XINHUA in English 0604  
GMT 19 Nov 92*

[Text] Guangzhou, November 19 (XINHUA)—Intellectual property rights is becoming another hot topic in China as the country shifts to a market economy.

Officials from a recent national intellectual property rights annual meeting here said that as China prepares to return to GATT (General Agreement on Tariffs and Trade) next year, more and more people have become interested in knowledge about intellectual property rights, still a fresh topic in China.

Lectures, reports and seminars on intellectual property rights have been widely held in China.

An incomplete survey by the Beijing-based China Intellectual Property Rights Research Association shows that more than 500 members of the association have given out some 2,800 lectures in the past year.

In addition, they said, more and more people come to the association and its provincial branches to consult on patents, trademarks, copyrights and business secrets among others, which involved the acquisition, protection, certificate trade and legal settlement of intellectual property rights.

Official said China actually started its intellectual property rights protection work a dozen years ago. China had reached the trademark reciprocal agreement with the United States as early as 1978. Several years later in 1982, China promulgated its first trademark law.

After more than a decade's effort, China has basically formed its own intellectual property rights legal protection system. A series of laws and regulations including the trademark law, the patent law and several others have been established according to the Paris convention on the protection of industrial property rights.

The law on the prohibition of dishonest competition and the law on the protection of the name of origin are expected to be promulgated soon.

With the Berne Convention for the protection of literary and artistic works and the Universal Copyright Convention going into effect in October this year, major international conventions on intellectual property rights protection are now effective in China.

Officials said that China recently revised the patent law and is revising the trademark law to get ready to join in the Patent Cooperation Treaty.

They said that China's effort through the years has cleared up the obstacles in bearing the responsibilities ruled by the trade related aspects of intellectual property rights negotiations in the Uruguay Round of talks and obstacles in returning to GATT.

Research on the protection of intellectual property rights also achieved marked progress. Apart from the Beijing-based China Intellectual Property Rights Research Association, intellectual property rights research societies or industrial property rights research societies have been founded in all local provinces, municipalities and autonomous regions.

In addition, personnel training started last year with the opening of three nationwide seminars in Shanghai, Beidaihe and Beijing cities. A nationwide intellectual property rights knowledge contest was also held this year to help promote the awareness of intellectual property rights among Chinese people, the officials said.

### **Stronger Penalties Aim To Deter Counterfeiters**

*HK1911025792 Beijing CHINA DAILY in English 19  
Nov 92 p 1*

[Report by staff reporter Chang Hong: "Ultimate Penalty to Fight Fraud in Production, Sales"]

[Text] Producers of counterfeit goods in this country are facing long jail terms or even capital punishment if they continue their illegal practices, top court officials warned yesterday.

The Supreme People's Court is planning stronger legal action to counter the surge in production of counterfeit or inferior commodities, they said.

Yesterday's execution in Guizhou of a sales manager indicted on speculation charges for concocting phony Maotai liquor was an unmistakable warning from the authorities to such offenders.

Luo Deming, 33, sales manager for a local brewery in the south-western province, was indicted by a local court last August on charges of making a profit of 2.9 million yuan (\$530,000) from selling 41,300 bottles of the fake brand liquor.

He was executed yesterday in accordance with the order of the Supreme People's Court.



The execution took place amid a rising uproar against the production and sale of counterfeit and sub-standard goods and an ongoing government drive to remove such products from shelves.

In addition to the heavy fines that are generally meted out, the authorities have been planning to invoke sterner legal action to curb the illicit activities.

The Standing Committee of the National People's Congress, the nation's top legislative body, has been reviewing a law on product quality since October. The law under deliberation is intended to institute a systematic quality control plan and authorize heavy jail terms for producers of fake and shoddy goods.

Zhu Mingshan, vice-president of the Supreme People's Court, told a press conference yesterday in Beijing that Luo deserved capital punishment as his acts infringed on the interests of both the Maotai Brewery and consumers, causing huge losses to the enterprises affected by the case.

He said Luo appealed to a higher court in Guizhou when the local court sentenced him to death, but his petition was turned down.

Earlier this month, the Supreme People's Court approved the sentence and issued the execution order.

Luo was said to have purchased counterfeit Maotai labels, caps and packaging, forged business papers and government licences and then hired workers to repackage common liquors in imitation of Maotai brands.

The market price for a bottle of Maotai could be as high as 200 yuan (\$37). Luo sold the fake Maotai at price of about 80 yuan a bottle to wholesale dealers in Guangdong, Zhejiang and Hainan provinces while enterprises sold them in nine other provinces.

Speaking at yesterday's press conference, Zhu said courts across the country have heard 95 cases involving the production and sale of fake and inferior products since August, and 107 people involved have given sentences ranging from five years' to life imprisonment.

Because the market economy takes time to mature, Zhu said, some people have taken advantage of loopholes in the country's legal structure and market management to profit from counterfeit goods.

Zhu said profiteering in the production of fake and shoddy goods would be regarded as a serious offense, which may be addressed by the sternest punishment, death.

Zhu also said that in such cases, fines and confiscation of property should be applied in addition to prison terms to rid offenders of ill-gotten financial resources.

## Military

### Armed Forces Reportedly Seek Funding Increase

HK1911010492 Hong Kong SOUTH CHINA  
MORNING POST in English 19 Nov 92 p 11

[Article by Willy Wo-lap Lam]

[Text] The People's Liberation Army is lobbying for more funds because it has overspent its budget allocations for the early 1990s by large margins.

And with the ascendancy of Central Military Commission (CMC) vice-chairman and former naval chief General Liu Huaqing, the Navy seems destined to get a large chunk of funding ear-marked for the modernisation of weapons.

The Army's official budget for the period of the Eighth Five-Year Plan (1991-1995) has already been determined by a military five-year plan passed last year.

The plan provides for an annual budget increase of at least 10 percent, discounting inflation.

However, many big-ticket items, especially the importation of military hardware, are covered in unpublicised, "unofficial" budgets.

For example, the bulk of China's arms purchases from Russia, including Su-27 fighters, are paid for by "secret funds" controlled by the CMC.

Military sources said the new CMC was lobbying the top Communist Party leadership for an increase in both the official and unofficial budgets.

"Some army officers are raising the bogey of a new containment policy against China waged by the West," a military source said.

The source added that Taiwan's acquisition of F-16 jets from the United States—and its reported procurement of Mirage fighters from France—could buttress the Army's argument for additional allotments.

Political analysts in Beijing said that, free of the influence of commissars and ideologues associated with former chief political commissar General Yang Baibing, the army leadership was dominated by professionals whose goal was the modernisation of weaponry.

The new line-up is headed by General Liu, who was also promoted to the politburo Standing Committee last month.

The analysts said a measure of General Liu's clout was that the "Navy faction" got six seats on the new Central Committee, as against three or four for the other departments.

This expansion of the Navy's clout has coincided with Beijing's unannounced plans to project the nation's powers in the South China Sea.

"(Patriarch Mr) Deng Xiaoping will likely entertain the requests of the Army because he needs the support of General Liu and other top officers for a peaceful transition of power after his death," an Asian diplomat said.

#### **Group Army Ensures Training, Combat Readiness**

*OW1911092292 Beijing XINHUA Domestic Service in Chinese 1127 GMT 16 Nov 92*

[By RENMIN RIBAO reporter Luo Tongsong (5012 0681 2646) and XINHUA reporter Yi Jianru (2496 0313 1172)]

[Text] Beijing, 16 Nov (XINHUA)—A Beijing Military Region group army stationed north of the Great Wall has purposely carried forward the hardworking spirit of the veteran Red Army, and has relied upon itself in ensuring good military training and in improving facilities to ensure combat readiness; thereby further enhancing the group army's combat ability. The Beijing Military Region recently held an on-the-spot meeting where the group army is stationed to promote its experiences. The People's Liberation Army headquarters and all large units of the Armed Forces sent individuals to learn these experiences.

It has been learned that, to ease the state's financial burden, the group army has taken out tens of millions of yuan this year alone from its production income for training purposes and to improve its facilities to ensure combat readiness. It has built and improved more than 1,400 sites and facilities ensuring combat readiness for 73 kinds of training. Among these training sites, 36 are large ones for common training programs. Live-ammunition firing practice fields and training sites for infantry, artillery units, and missile contingents; sites for maneuvering tanks and armored vehicles; and various kinds of officer-training centers and specialized units' training bases are scattered within and outside the camp, enabling the group army's training and combat readiness-related work to become more regularized and standardized.

The group army's party committee has earnestly implemented Comrade Xiaoping's guidelines for troop building in the new period and has applied itself to maintaining the combat readiness level. Living in a rigorous environment, and under working and living conditions that need to be improved, officers and men of the army group purposely put strengthening the infrastructural facilities for military training in first place. Last year, it concentrated its efforts on ensuring that its weapons and armaments were up to standards, enabling them to remain in good condition and enabling the group army to become an Armed Forces unit advanced in the management of arms. This year, it has treated support work for training and the balanced development of facilities ensuring combat readiness as an important part of the work for ensuring military strength, and has achieved noticeable results. It has made every effort to save money and materials for construction—it has not spent a cent on employing contract workers to remove

1.41 million cubic meters of earth and stone to level land. Moreover, it has saved more than 5.6 million yuan by making use of used and waste materials.

After one year of efforts, the group army completed well-equipped centers for training, ranging from division-regiment combined tactical training to group army battle training, and was able to use one training site for various types of training programs. Training centers for officers at various levels are all equipped with advanced electronic teaching facilities, and many of them have been automated and equipped with simulators, further modernizing the group army's training means.

The development of military training and of facilities ensuring combat readiness have accelerated the group army's development in all areas and improved training results. A certain division's 26 infantry companies completed three exercises in newly-completed firing practice ranges in three-fifths of the previous time, and with much better results. The training time of 18 tank companies, as computed on a sample basis by the group army's tank division, was reduced by half as compared with previous years, while their overall firing score rose to a new level. The group army successfully accomplished the annual training and strategic tasks assigned by the authorities at a higher level.

#### **Air Force Commander Cao Shuangming Commends Pilot**

*OW1811165892 Beijing XINHUA Domestic Service in Chinese 1334 GMT 18 Nov 92*

[By reporter Sun Maoqing (1327 5399 1987) and correspondent Chen Weigang (7115 0251 6921)]

[Excerpt] Beijing, 18 Nov (XINHUA)—Air Force Commander Cao Shuangming and Political Commissar Ding Wenchang signed an order today to award deputy regimental commander Wang Junfei a Citation for Merit First Class and an "Honorary Gold Medal For A Meritorious Pilot." [passage omitted]

#### **Shanghai Leaders Inspect Conscription Work**

*OW1911072692 Shanghai People's Radio Network in Mandarin 2300 GMT 16 Nov 92*

[From the "Morning News" program]

[Text] In the past few days, Liu Zhenyuan, vice mayor and vice chairman of the municipal party committee people's armed forces commission; as well as Xu Wenyi and Zhu Xiaochu, respectively commander and political commissar of the Shanghai Garrison, paid separate visits to Hongkou, Zhabei, and Yangpu Districts and some grass-roots units to check up on conscription work.

So far, more than 10,000 youths in the city have undergone preconscription physical examinations, registering a passing rate of over 46 percent.

### **Book on Defense Science, Technology Published**

*OW1911122792 Beijing XINHUA Domestic Service in Chinese 1057 GMT 17 Nov 92*

[By reporter Xu Zhimin (6079 1807 2404)]

[Text] Beijing, 17 Nov (XINHUA)—“Science and Technology for National Defense in Contemporary China” [dang dai zhong guo de guo fang ke ji shi ye 3981 0108 0022 0948 4104 0948 7089 4430 2111 0057 2814]—a book about the history of the development of science and technology for national defense—was recently published. Liu Huaqing, Hong Xuezhai, Zhang Aiping, and others attended the book's launch at the Great Hall of the People today.

The book's introduction was written by the late Marshal Nie Rongzhen.

The book, which has nearly 800,000 characters, was compiled under sponsorship of the Commission of Science and Technology for National Defense and published by the Contemporary China Publishing House. The book reveals a series of major decisions which the CPC Central Committee, the State Council, the Central Military Commission, and the Central Special Commission [zhong yang zhuan wei 0022 1135 1413 1201] made shortly after the founding of the republic through 1989 about the development of defense science and technology in China. The books gives a full account of the tortuous course which China traversed in developing its strategic land-to-land missiles, nuclear weapons, missile-equipped nuclear submarines, man-made satellites, and conventional weapons; as well as the heart-touching hard struggles and selfless dedication of the vast number of scientists and technicians who worked for national defense. The ample amounts of information used in the book were carefully selected. While they tell the achievements and experiences gained from the development of science and technology for national defense, they also give factual records of frustrations and mistakes. Many of the rare historical materials and pictures in the book are published for the first time.

Also present at the book launch were leading officials of ministries and commissions of the State Council, the three headquarters of the Liberation Army, the Commission of Science and Technology for National Defense, and large military units stationed in Beijing.

### **Army Paper on Progress at Jiuquan Space Center**

*HK1911083292 Beijing JIEFANGJUN BAO in Chinese 25 Oct 92 p 3*

[Report by Wu Jingquan (0702 2529 3123) and reporter Li Xuanqing (2621 6693 3237): “Jiuquan Satellite Launching Center—One of the World's Famous Space-flight Launching Grounds”]

[Text] Jiuquan Satellite Launching Center, China's oldest “space port,” successfully launched two satellites with one rocket on 6 October. Over the past few years,

Jiuquan has become vigorous and energetic through reform and opening up, and has ranked among the world's most famous space launching grounds.

“At present, space technology develops with each passing day, and only by conducting reform and opening up can we catch up with and surpass the world's advanced level,” said Li Yuanzheng, director of the satellite launching center, to this reporter on the launching ground. Beginning from the early 1980's, they took the lead in opening wide the doors to invite specialists and businessmen of the developed countries in space technology to visit China. More than 20 delegations have been sent by a dozen countries and regions including the United States, France, Australia, Japan, and Sweden to Jiuquan to exchange information, and perform business negotiations. Meanwhile, the center also sent groups of experts to work in the United States, Japan, the former Soviet Union, and other countries with advanced space technology.

Following the expansion of exchange with foreign countries, people engaged in space technology who had been confined in the land of wilderness have broadened their horizons, and their aspirations for creation are unprecedentedly enlivened. They have assimilated the world's advanced scientific and technological thinking and written thousands of academic theses which were awarded prizes. According to statistics, more than 500 scientific and technological achievements have been made since reform and opening up, of which 129 won awards from the state; the Army; and the Commission of Science, Technology, and Industry for National Defense. Some of them can be favorably compared with the world's advanced equipment of the same kind.

To build Jiuquan into a world-class launching center through reform and opening up, they repeatedly intensified their construction in a comprehensive way, while vigorously upgrading their technological equipment. Over the past three years, more than 10 million yuan have been allotted to improve their study and living conditions, whereby they have set up a data bank, a scientific research room, and a coordinating recreational center, worked out long- and short-term training plans, and selected fine middle-aged and young scientific and technological personnel to further their education in relevant colleges. Moreover, they have boldly promoted some young talented intellectuals to leading positions or important technical posts. More than 120 young scientific and technological personnel were promoted and entrusted with important missions in recent years.

Reform and opening up have enabled the core leadership to broaden their field of vision. Today, they are positively taking advantage of the scientific and technological-intensive superiority to further enlarge their openness, launch various satellites for foreign users, provide services to the scientific research work of some factories, mines, and enterprises in the “three norths” and the landlocked areas, and transfer new high scientific and technological achievements. They also plan to open the



launching center to foreign tourists, letting them appreciate, all on the ancient road of silk, both the Dunhuang relics and the new scenes of the oriental space town with contemporary advanced science and technology.

### **Economic & Agricultural**

#### **Economists Wary of High Economic Growth Rate**

*HK1911131892 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0729 GMT 1 Nov 92*

["Special report" by Shi Jian (1597 0313): "How Long Will China's Rapid Economic Growth Last"]

[Text] When delivering a speech the day after the 14th CPC National Congress was concluded, Professor Li Yining, China's noted economist, said: The establishment of the market economy in China has paved an expressway for economic development. But more observers maintain that the top-level authorities in China will adopt effective measures after the 14th party congress, not to heat up the economy, but to "cool" it down.

This is because the increasingly pronounced symptoms of inflation, almost uncontrollable high input, and the chronic malady of low economic efficiency have made the decisionmakers aware that if precautions are not taken in good time, and if rushing headlong into mass action and starting certain projects in swarms is allowed, the tragedy of falling apart in a hubbub in the end may be repeated. The "leftism" in politics and "rash advance" in the economy are the two major common maladies of China, for which the Chinese have repeatedly paid a high price.

At the moment, China's economic operation has obviously entered an unprecedentedly active period. From the first through the third quarter of this year, the GNP increased by 10.6 percent, industry grew by 19.3 percent, investment in fixed assets grew by 36.3 percent, and bank credit was over 50 percent higher than planned.

It is learned that macroeconomic management departments such as the State Planning Commission are revising the Eighth Five-Year Plan, with the intention of upgrading the 6 percent growth rate to around 10 percent. A new period of rapid economic growth has arrived.

However, a series of disturbing problems have also been observed in China's economic operation.

In early September, Zhu Rongji, vice premier of the State Council in charge of industrial production and the operation of communications in China, made a penetrating judgment on the issue of growth rate. He said: When Deng Xiaoping talked about the issue of growth rate, he mentioned three preconditions which we should not forget. The first is high efficiency, the second high quality, and the third orientation to the outside world. Seeking high speed single-mindedly without considering

the three preconditions would not work, would it? Producing unsalable products of inferior quality and leaving them stockpiled in the warehouses is not desirable, is it? Zhu Rongji held that the speed of development is a strategic issue as is also enhancing quality. The two should be integrated, with quality in first place.

According to authoritative sources, after the 14th CPC National Congress was concluded, the state departments in charge of macroeconomic regulation and control were instructed to take some administrative measures toward investment in capital construction and bank credit, throwing cold water on the momentum of undue economic growth through administrative regulation and control.

Both the old and new problems in China's economic operation stem from the fact that the old, ossified planned economic system has not been dismantled and inefficient and overlapping government organization has not been reformed.

Therefore, only by speeding up the pace of reform, transforming government functions, changing operating mechanisms, and establishing the new system of market economy can the new and old problems in China's economic operation stop recurring. Otherwise, even if the momentum of blind growth can be maintained till the end of this year, next year's macroeconomic regulation and control will run into numerous difficulties.

#### **Professor on Learning From Western Experience**

*HK1711130792 Beijing JINGJI CANKAO BAO in Chinese 20 Oct 92 p 4*

[Article by Xiao Zhuoji (5135 3504 1015), economics professor at Beijing University: "Emulating Western Experience as Viewed From the Common Features of the Two Social Systems"]

[Text] As two development stages in human society, two social and economic forms, and two social systems, socialist and capitalist societies are different from one another in nature. But they also have many common features, many common economic phenomena, and common economic problems and therefore should abide by many common rules and principles. Some of the many economic phenomena, economic forms, and operational mechanisms existing and occurring in capitalist society portray the common laws governing material production methods in human society. Some of them portray the common laws of the commodity economy and large-scale socialized production in capitalist and socialist societies.

**Socialism and capitalism have the following common features:**

First, socialist and capitalist societies should carry out material production and reproduction.



To carry out material production and reproduction, they must have some common conditions and abide by some common laws. For example, capital goods and labor are two basic elements of the production process. Any production process requires a certain amount of capital goods and labor. Capital goods and labor must conform with one another in nature, maintain a certain proportion in quantity, and integrate themselves in a certain form.

Second, both socialist and capitalist societies are based on large-scale socialized production and therefore need to have common conditions for large-scale socialized production and must abide by the general law governing large-scale socialized production.

In large-scale socialized production, different production departments rely on each other and restrict each other, thus forming a closely knit economic system. Every department needs to obtain production factors from other departments. Likewise, it finds markets in other departments. The formula for balancing relations between two major categories proposed by Marx in his analysis of social capital reproduction applies to both capitalist and socialist societies.

Third, socialist and capitalist societies are characterized by an expanding scale of reproduction.

In both socialist and capitalist societies, accumulation is the basis for constantly expanding the scale of production and is the most important basis for their progress. The two forms of expanded reproduction—specifically, extensive expanded reproduction and intensive expanded reproduction—exist in both socialist and capitalist societies. Generally speaking, during the initial period of industrialization and modernization, expanded reproduction takes an extensive form, whereas when industrialization and modernization acquire a certain foundation, expanded reproduction will take an intensive form.

Fourth, socialist and capitalist societies are societies where commodity economies have generally developed.

The socialist commodity economy is characteristically different from the capitalist commodity economy; for example, it is based on public ownership. It is a planned commodity economy based on public ownership. But they also have common characteristics.

The law of value is a common law of the commodity economy. Under the socialist system, the law of value plays a regulatory role in production and circulation, as it does under the capitalist system. A market is one of the conditions for the existence and development of commodity production and commodity exchanges, whereas the market economy is an expression of and an operational method in a developed commodity economy. Like the capitalist commodity economy, the socialist commodity economy manifests itself in the market economy.

It is self-decisive, open, equal, competitive, and diversified in nature. It can rationally allocate resources, effectively adjust supply and demand, and accurately appraise strong and weak points. Therefore, it plays a nurturing role in the development of the social productive forces.

Present-day economic activities are becoming more and more internationalized. To develop international economic exchanges and standardize international economic activities, a series of international rules have been gradually formed. These international rules took shape under the capitalist system and were practiced first between capitalist countries, but they embody the demand for economic globalization and for allocating resources on an international scale. In opening up to the world and joining international economic exchanges and economic competition, we should abide by these international rules. If we stick a label of "capitalism" on international rules which reflect the objective demand for international economic activities, and refuse to obey these rules, this is isolationism and alienates us from the international market. This will hinder the development of our social productive forces.

**Socialist and capitalist societies are facing many common problems arising from the socialization of production and marketization.**

First, periodic fluctuations in economic development. From 1825, capitalist countries including Britain and the United States began to experience regular economic crises. If we say that superconventional fluctuations are caused by the basic contradiction in capitalist society, then ordinary economic fluctuations are caused by deeper and more general factors. History since the emergence of the socialist system has proved that, even if the private capitalist system is abolished, there are still periodic fluctuations in economic development and that these fluctuations are quite prominent. The cause of these fluctuations, of course, cannot be explained by referring to the basic contradiction in capitalist society.

As a matter of fact, periodic fluctuations in the course of socialist and capitalist economic development are caused by in-depth factors which are distinct from the social systems. These factors find expression in the socialization and commercialization of production. Under the conditions of commodity economy and large-scale socialized production, there are certainly contradictions between microeconomic activities and macroeconomic targets, between the proportionate distribution of the total labor force in society and the imbalanced development of various departments, and between aggregate social supply and demand. When these contradictions reach a certain level, they will cause economic fluctuations and imbalance between different economic sectors. People can regulate or alleviate contradictions, but they cannot eliminate them. People can reduce economic fluctuations by economic, administrative, or legal means, but they cannot eliminate them. Therefore, controlling the scope of economic fluctuations within a

conventional fluctuation range is a common issue facing socialist and capitalist societies.

Second, unemployment. The practice of socialism has proved that not only capitalist society faces big unemployment, but socialist society also has an unemployment problem. China's unemployment rate at present is higher than that of ordinary capitalist countries. This includes overt, covert, and latent unemployment rates. It is difficult to solve this situation by means of social systems.

Some people say that the excessively large size of China's absolute population is the reason behind its excessive surplus labor force and high unemployment rate. Of course, this is reasonable to a certain degree. However, under commodity economy and large-scale socialized production conditions, unemployment is inevitable. Because different periods give rise to changes in economic development rates, the relations between market supply and demand, the industrial structure, the technological mix, and production arrangements, some workers will withdraw from or will be unable to go into the production process, and some workers will transfer from one production department to another, from one region to another, or from one occupation to another. This is inevitable. People can use economic, administrative, or legal methods to shorten this transformation process, to reduce the number of workers staying outside the production sphere, to shorten the amount of time, or to lower unemployment rates, but they cannot completely eliminate unemployment. As a matter of fact, a certain unemployment rate or maintaining a certain industrial reserve is not only inevitable but is also necessary under the conditions of commodity economy and large-scale socialized production. The crucial issue is to control unemployment rates. Finding a way to control unemployment rates within reasonable limits to benefit economic growth, technological progress, structural optimization, and the qualitative improvement of workers is an important problem commonly facing socialist and capitalist societies.

Third, inflation. A country's inflation is related to its social system, economic policy, and the socialization and marketization of its production. Under these conditions, there are contradictions between the amount of money issued and the amount of money required by commodity circulation in the market and between aggregate social supply and demand. These are important factors causing inflation. Therefore, both socialist and capitalist societies have the common problem of controlling inflation. Although capitalist society does not have a panacea to solve its periodic fluctuations in economic development, its unemployment, or its inflation, it has, after all, accumulated some experiences and lessons, some of which are worth learning from. If we indiscriminately criticize as "capitalist" some measures which practice has proven to be workable and suitable for our national conditions, and thus refuse to learn from them, we are apt to take a detour. This is not prudent.

Marxism emerged on the basis of absorbing the fine cultural achievements of mankind and will develop on the basis of absorbing the fine cultural achievements of modern man. We should take a materialist attitude toward the present-day Western bourgeois economic theory. In other words, we should seriously criticize its mistake of favoring the capitalist system and also be good at absorbing its scientific parts and at learning from its experience and policies beneficial to the development of production. Describing the bourgeois economic theory as 90 percent useless and distorting the remaining 10 percent, and then abandoning and overthrowing it is not a serious Marxist attitude.

#### **Commentary on Need To Become Major Trading Nation**

*OW1911094592 Beijing XINHUA Domestic Service in Chinese 2121 GMT 16 Nov 92*

[Commentary by XINHUA reporter Zhang Yi (1728 3015)]

[Text] Beijing, 17 Nov (XINHUA)—The 14th CPC National Congress has emphasized the need for China to speed up its economic development, using approximately 100 years to reach the level Western developed nations have accomplished in three centuries. To this end, China must open itself wider to the outside world, go all out to develop an export-oriented economy, utilize both domestic and foreign resources, and explore markets at home and abroad to accelerate the development of foreign economic relations and trade; thereby spurring the fast growth of the national economy as a whole.

Previously, it was viewed that countries with a vast domestic market and rich resources had no need to develop an export-oriented economy, and that only those with a limited domestic market and scarce resources needed to do so. Practice testifies that this is a biased view. The United States, a large country with a vast domestic market and abundant resources, is the number one trading nation in the world. With the support of a vast domestic market, a country is in a more advantageous position to become a foreign trade power; and an export-oriented economy can further support and stimulate the development of the economy as a whole. A quick global review shows that all the economic powers are major trading nations. According to statistics released by the General Agreement on Tariff and Trade, the total volume of imports and exports of seven Western countries—namely the United States, Germany, Japan, France, Britain, Italy, and Canada—amounted to \$3.7 trillion in 1991, accounting for more than half of global trade.

In the world today, there has been a growing trend for economies to rely on, and cooperate and compete with each other for existence; it is impossible for any closed economy to grow at a fast pace. Therefore, to become an economic power, China must become a major nation in international trade.

The 14 years of reform and opening up have linked the Chinese economy closely with the global economy. Over the 14 years, China's economic relations and trade with foreign countries have developed continuously at a pace faster than the development of the national economy as a whole, playing an important role in improving the people's livelihood and building up comprehensive national strength. In 1991, the total value of exports constituted about 20 percent of the GNP; of the export commodities, about 80 percent were manufactured goods. The extent of the Chinese economy's reliance on imports has also increased from 6 percent before opening up to 10 percent at present. The global ranking of Chinese export trade has been elevated from 32d in 1978 to 13th last year, with import trade ranking 16th last year. Although this is an amazing speed, we should also realize that China's total trade volume accounted for less than 2 percent of global trade last year, lagging far behind the developed countries and regions. Even compared with the "four small dragons" of Asia, our trade volume was only slightly higher than Singapore. Such a situation is incommensurable with our nation of 1.1 billion people.

The current international situation poses an opportunity as well as a challenge to our endeavor to open the country wider to the outside world, and accelerate the growth of economic relations and trade with foreign countries; but the opportunity is generally greater than the challenge. As long as we earnestly implement the 14th CPC National Congress guidelines, seize the opportunity, and meet the challenge by actively taking part in international competition and speeding up the development of economic relations and trade with foreign countries, China stands a very good chance of joining the ranks of the 10 top trading nations in the world within a not too long period of time.

#### **Daily Urges Inland Provinces To Emancipate Mind**

HK1711134592 Beijing RENMIN RIBAO in Chinese  
23 Oct 92 p 5

[Article by Wang Senhao (3769 2773 3185): "It Is All the More Important for Inland Provinces To Emancipate the Mind"]

[Text] The 14th party congress made this great call to the entire party and the entire nation: "Speed up the pace of reform, opening up, and modernization and strive for a greater victory in the cause of socialism with Chinese characteristics." At the moment, further emancipating the mind is, for each region, the number one issue in seizing the opportunity and developing itself. All parts of the country have to accomplish certain tasks aimed at the further emancipation of the mind, but the requirements are different for different provinces. As far as the inland provinces are concerned, because they are relatively closed and conservative due to the influence of their natural environments, conventions, and forces of habit, "leftist" elements are still deep-rooted there. In

comparison with the coastal open areas and advanced provinces and municipalities, the steps they have taken in reform and opening up have not been big enough and their economic development has not been fast enough. Therefore, further emancipating the mind has a special, more important significance to the inland provinces.

In emancipating the mind, it is imperative to eliminate the ideological shackles of the "left" and firmly adopt the criterion of productive forces. Both right and "left" elements impede the development of social productive forces, but the main tendency at present is toward the "left," which finds outstanding expression in the inland provinces. Some comrades cannot rid themselves of the abstract controversy over whether something is sur-named "socialism" or "capitalism" in the issue of reform and opening up. Full of misgivings, they would rather follow the "left" path than the right. These comrades, carrying lopsided ideas, have been equating the market economy with capitalism. When considering expanding market regulation, they worry that it will deviate from the socialist orientation. They wrongly regard egalitarianism as socialism and fear the loss of socialism's superiority when the "three irons" are broken. When considering developing individual and private economies, they worry about going too far. When considering running wholly or partially foreign-funded enterprises, they worry that this will cause capitalism to come in. When considering setting up the joint-stock system, they are afraid that other people will label it as privatization. When considering installing the managerial responsibility system, they are afraid that they will be considered to have negated the party's leadership. The "left" ideology is seriously impeding the progress of the reform and opening up and the development of the economy. Viewed from this angle, the difference between the inland and coastal areas finds expression, first of all, in the fact that "left" ideas are more serious there than in the coastal areas. Therefore, to further emancipate the mind, the first thing to do is to eliminate the influence of the "left" ideas, firmly adopt the ideological line of seeking truth from facts, and adhere to the criterion of productive forces justly and forcefully. All actions should be measured against the criterion of whether they are conducive to the development of a socialist society's productive forces, to the enhancement of a socialist country's comprehensive national strength, and to the upgrading of the people's standard of living. As long as a measure satisfies those three requirements, it is in line with the socialist orientation and therefore should be carried out boldly and freely.

In emancipating the mind, it is imperative to get rid of the outmoded mentality that makes one adhere rigidly to established ideas and fear risks; and, in its stead, adopt the ideas and concepts that encourage one to reform, experiment, innovate, and pioneer bravely. The closed mentality and conservative ideas in the inland areas primarily find expression in the lack of a pioneering spirit in some leading comrades, who go after stability for fear of disorder, look vigilantly right and left whenever a problem arises, and keep stopping while moving



ahead just like a lady with bound feet. They are contented with looking after their own stalls and keeping their official posts by making sure nothing goes wrong. They do not dare to boldly absorb advanced technology and managerial experience from abroad and are over-cautious in opening to the outside world. If they cannot overcome these closed and conservative concepts, they will only miss the favorable opportunity and achieve nothing, and the disparity between them and the coastal provinces and municipalities will definitely be ever widening. The socialist reform and opening up are an innovative undertaking. Without a measure of "pioneering" spirit and some courage to take "risks," one will be unable to break a new path. Therefore, in emancipating the mind, it is imperative to overcome the closed mentality, discard the mental approach that seeks stability out of a fear of disorder and rejects risking dangers, and enhance the awareness of the need to carry out reform and opening up.

At present, it is necessary to correctly understand the relationship among reform, development, and stability. One should not seek stability passively. Only through reform can we achieve development and only through development can we achieve stability in the true sense. By suggesting greater courage in reform and opening up, we mean that it is necessary to think, do, and pioneer bravely. In particular, it is necessary to boldly absorb and draw upon the advanced technology, operational modes, and managerial methods of other countries of the world today, including the developed countries in the West. While boldness is required, meticulous efforts and a down-to-earth work style are also necessary. In pushing ahead with reform and opening up, one should not only have the courage to think originally and take actions, but should also seek truth from facts. One must not only take the initiative, but must also remain cool-headed. One must not only be courageous in drawing upon the advanced experience of other countries, but one also must be good at drawing inspiration from local positive and negative experiences, so as to avoid detours and ensure that reform, opening up, and economic construction proceed in a lively, positive, and steady way.

In emancipating the mind, it is also necessary to conscientiously change the work style and make genuine and substantial efforts. Under the influence of "left" ideas and the closed and conservative mentality, bureaucracy and formalism have long been existing in our work, which not only seriously impede the implementation of various policies and measures, but also constrain people's thinking. Therefore, the emancipation of the mind must also be closely integrated with improvement of work style. It is necessary to adopt a truth-seeking and pragmatic approach and put into practice the various policies and measures in reform and opening up. What is most important at present is to do the following three things well: First, it is necessary to select and appoint capable people. This is a key point. It is imperative to assess cadres in accordance with the "four-transformation" criterion and boldly use those who

adhere to the line of reform and opening up and who have made prominent achievements in their official careers. The party and government leadership organs and law-enforcing departments should firmly support and protect the reformers who have the courage to pioneer and do things, so as to genuinely "escort" reform, opening up, and economic construction. Second, it is necessary to install strict responsibility systems at all levels starting from the top. All work posts must have clearly defined functions, responsibilities, and spheres of authority; all responsibilities must be assigned to individuals; such phenomena as organizational disorder, fuzzy functions and responsibilities, and absence of bearers of certain responsibilities must on no account be allowed to continue. Third, it is necessary to strengthen supervision and examination. In some localities today, "when a policy comes from above, a counter-policy is created at lower levels." In particular, some departments emphasize departmental interests at the expense of overall interests, shirking responsibility to each other and making it impossible for a large number of good policies to be put into practice. Therefore, it is necessary to make sustained efforts to find effective solutions to the problem concerning the localities, departments, and different aspects of work giving way to, and serving, the overall interests of economic construction. We must truly put into practice the various measures in the reform and opening up through supervision, examination, and rigorous execution of rewards and penalties.

#### Meeting Discusses Township, Town Enterprises

HK1911072492 Xian Shaanxi People's Radio Network  
in Mandarin 0030 GMT 17 Nov 92

[Text] The national meeting to exchange experiences in expediting the development of township and town enterprises in the central and western regions was held yesterday in Xian. More than 200 representatives from the relevant ministries and commissions of the State Council, 30 provinces, municipalities, and autonomous regions, and 14 cities listed separately for development attended the meeting.

Vice Premier Tian Jiyun presided over the meeting, and Li Changan, deputy secretary general of the State Council, made a speech on behalf of State Councillor Chen Junsheng. In his speech, he said that expediting the development of township and town enterprises in the central and western regions is an important step to realize rapid economic development in the central and western regions, and that history would prove this is a good road. It is necessary to view development of township and town enterprises as an important point in economic work; cast off leftist influence; implement different ownerships and operation styles; avoid being tied up by some abstract arguments such as whether we are being surnamed socialism or capitalism; and unswervingly implement the policy, adopted by the 14th party congress, on taking public ownership as the mainstay, supplementing it with individual, private, and foreign-funded economies, and allowing many economic



sectors to develop simultaneously for a long time. Many wheels turn together, and whichever wheel turns faster, allow it to turn. Liberating and developing productive forces is the criterion for doing everything. We should allow the wheels which suit the local levels of productive forces to turn faster. The speech said that it is necessary to establish a sense of openness and development. The central and western regions should open up to foreign countries as well as to other localities in the country, so as to seek joint development, support, and cooperation. When handling the relations of economic interests, it is necessary to eliminate the worry about taking disadvantages and the fear that other people earn money from our place; we must let other people make profits, then, we can make profits. The speech also pointed out that it is necessary to establish a new concept of talent, and boldly appoint various kinds of economic and technological personnel. It is necessary to create an environment and mechanism for bold use of able personnel and to earnestly protect them. So long as they have good basic quality, we should encourage them to establish and run township and town enterprises, and give them support. At the same time, we must establish a new market concept, develop township and town enterprises with reference to the general goal of the reform aimed at building socialist market economy, and do things according to market laws.

Li Changan's speech, made on behalf of Chen Junsheng, said finally that expediting the development of township and town enterprises requires the formulation of policies which are more favorable, and for this purpose, the state will give some policy support in the areas of finance, monetary affairs, foreign trade, industry, commerce, and taxation. In addition, the state prepares to allocate special loans to support the development of township and town enterprises in the central and western regions.

#### Tian Jiyun's Remarks Cited

OW1911131192 Beijing XINHUA Domestic Service in Chinese 1225 GMT 18 Nov 92

[By XINHUA reporters Wang Yanbin (3769 6066 1755) and Wang Chunsheng (3769 2504 3932) and RENMIN RIBAO reporter Ling Zhijun (0407 1807 6511)]

[Text] Xian, 18 Nov (XINHUA)—Tian Jiyun, member of the CPC Central Committee Political Bureau and vice premier of the State Council, today emphatically pointed out that village and town enterprises—as the forerunners in developing the nation's market economy—are a leading force in our market economy. To bring about the westward expansion of village and town enterprises while accelerating their development is an historical task that must be accomplished in building socialism with Chinese characteristics as well as a significant strategic choice for accelerating national economic and social development.

Tian Jiyun pointed out: The most spectacular and significant achievement of our reform and development

since the 1980's has been the fruitful development of village and town enterprises. Like the household-based contracting system with remuneration linked to output, village and town enterprises are yet another great, pioneering undertaking of the Chinese peasants. They formed a strong economic force and made great contributions to the nation in only a matter of a dozen years, presenting a great miracle of China's reform and opening up to the outside world. While village and town enterprises undoubtedly owe their sudden rise as a new force to society's macro-environment of reform and opening up to the outside world, the more important point is that this has, in the course of development, formed a good mechanism—the market economic mechanism.

Tian Jiyun said: What we call a market economic mechanism is a mechanism under which enterprises gear their operations toward the market, carry out independent production, and assume full responsibility for their profits and losses, and under which cadres are subject to promotion as well as demotion, staff and workers could be laid off, and productive elements flow rationally. The existence of such an operational mechanism, which suits the market economy, is exactly the reason why village and town enterprises are able to enjoy rapid development and perform so well as a whole. The mechanism of village and town enterprises is, of course, not perfect; the policies and environment also call for prompt improvement to cope with the needs of a market economy. That is why we say village and town enterprises only serve as the forerunners in developing our market economy. The eventual establishment and perfecting of China's market economic system still depends on the comprehensive deepening of structural reform. However, village and town enterprises did serve as forerunners in developing our market economy. From a long-term point of view, the development of village and town enterprises is the only way to bring about a comparatively well-off living standard or even full-blown prosperity, as well as agricultural modernization in our rural areas; it also serves as a starting point for a new round of growth that will lead to the full transformation of our entire system, and eventually bring about the industrialization and modernization of the entire nation. The rise of village and town enterprises opens up a new and effective way for developing our rural society and economy, and adds new substance to the building of socialism with Chinese characteristics. In addition, the practice of booming village and town enterprises has so far proved that a market economy can operate very well under socialist conditions, and that village and town enterprises are the essential driving force behind the development of our rural economy and the national economy as a whole.

Tian Jiyun stressed: The westward expansion of village and town enterprises is a significant strategic choice for quickening national economic development. There exists a significant imbalance of rural economic development between the eastern, central, and western regions of China which is mainly manifested by the development gap between their village and town enterprises. The existence of such a gap will hinder the efforts

of not only the central and western regions, but the entire country in pursuing economic development and the goal for a comparatively well-off living standard. We must now act upon the guidelines of the 14th party congress to accelerate the development of village and town enterprises in the central, western, and ethnic minority regions while continuing to lift the development level of village and town enterprises in the eastern region; this is aimed at gradually narrowing the gap between the central and western regions and the eastern region in an effort to bring about common prosperity for the 1.1 billion people across the country. This is an historical task that must be accomplished in our building of socialism with Chinese characteristics as well as a significant strategic choice for accelerating national economic and social development.

Tian Jiyun said: In light of the favorable conditions and constraints for developing village and town enterprises in the central and western regions, the overall strategy for future development is to quicken the pace of reform and opening up to the outside world; unswervingly implement the guiding principle of "giving vigorous support, making rational planning, providing correct guidance, and strengthening management"; gear enterprise operations toward market demands; take resources exploitation and processing as a breakthrough; develop the secondary and tertiary industries simultaneously; rely on scientific and technological advancement; and strengthen enterprise management, in order to promote the regional village and town enterprises' development in the direction of high quality, pace, and efficiency. In quickening the development of village and town enterprises in the central and western regions, training and employing the various disciplines of qualified personnel is the fundamental, major program of lasting importance; "diversifying incomes and operations" is the basic guiding principle; developing superior industries through measures suited to local conditions is an important method; suiting measures to local conditions, making rational overall arrangement, and effecting proper concentration is the key point; strengthening lateral cooperation is an effective technique; and cultivating and developing a market system is the unavoidable choice.

Tian Jiyun urged all localities to strengthen leadership and all relevant departments to give vigorous support to create an even more relaxed environment for developing village and town enterprises in the central and western regions. All relevant central as well as local departments were urged to view supporting their development as a concrete step in implementing the guidelines of the 14th party congress, to quicken the pace of reform and opening up to the outside world, and concentrate their efforts on promoting economic construction.

Tian Jiyun made these remarks at a national experience-exchange meeting on accelerating the development of village and town enterprises in the central and western regions, which concluded today.

### Views Main Agricultural Tasks

OW1911103792 Beijing XINHUA Domestic Service in Chinese 1219 GMT 18 Nov 92

[By reporters Wang Yanbin (3769 6056 1755) and Wang Chunsheng (3769 2504 3932) and RENMIN RIBAO reporter Ling Zhijun (0407 1807 6511)]

[Text] Xian, 18 Nov (XINHUA)—When addressing a national experience-exchange meeting on accelerating the development of rural enterprises in central and west China that closed today, Tian Jiyun, member of the CPC Central Committee Political Bureau and vice premier of the State Council, urged: Under the current new situation, various localities across the country should pay more attention to rural reform and development, and persistently regard agriculture as a top priority in the national economy.

Tian Jiyun pointed out: At present, the rural situation is very good. However, certain problems that deserve our close attention have cropped up. First, the difficulty in selling agricultural products has, to a certain extent, overshadowed other existing weaknesses in the agricultural sector. People usually notice energy resource and communications problems as bottlenecks blocking the development of the national economy; they have yet to pay adequate attention to another invisible bottleneck—the agricultural sector. Second, extensive land occupation and changes in land-use for nonagricultural purposes following the fervent development of industry, development zones, and real estate have posed serious challenges to the availability of arable land which produces grain and other crops. Indiscriminate felling of trees has also worsened. Third, the massive outflow of rural capital has once again led to a shortage of funds for investing in agricultural production and for procuring agricultural products. Fourth, excessively stockpiled agricultural products and a drastic drop in the market prices for them have adversely affected the peasants' enthusiasm for production, because increasing production did not bring them additional income, but instead, exorbitant burdens. We need to promptly take effective measures to realistically solve these problem to ensure healthy progress in agriculture and the rural economy.

Tian Jiyun said: The general requirements on agricultural work and the rural economy are as follows: We should earnestly study and implement the guidelines of the 14th CPC National Congress, closely rally around the central task of economic construction, and actively deepen rural reform. Furthermore, we should also perform three major tasks as follows: 1) We should strive to transform the agricultural sector into one that produces quality products with high productivity and efficiency. 2) While accelerating the development of rural enterprises in east China, we should also concentrate efforts to enhance development in central and west China. 3) We should accelerate developing tertiary industries that primarily promote circulation and services.

When commenting on agricultural work in rural areas during this winter and next spring, Tian Jiyun urged various localities to strive to perform the tasks of circulating agricultural products, and of increasing the peasants' production and income; improve social services in rural areas; ensure smooth progress of winter sowing and of agricultural production next spring; continually carry out capital construction in water conservancy projects involving mass participation; strive to do a good job in the production and development of forestry; and effectively reduce the peasants' burdens.

Tian Jiyun said: At present and throughout the 1990's, we are facing two acute problems: On the one hand, we are concerned about how we will establish a new socialist market economy through reform, and, on the other hand, how this involves the materialization of a comparatively well-off living standard through progress. Various relevant localities and departments should strengthen leadership, make concerted efforts, conduct in-depth investigation and studies, and strive to resolve new problems in rural reform and development to create a favorable environment and conditions for improving rural work, for deepening rural reform, and for enhancing rural development.

In addition, Tian Jiyun urged various localities to solidify various tasks including the spiritual civilization drive in rural areas, grass-roots organizational building, family planning, and social order.

#### **Commentator Urges Standardized Real Estate Market**

HK1911070192 Beijing RENMIN RIBAO in Chinese  
13 Nov 92 pp 1, 4

[Commentator's article: "Develop Standardized Real Estate Market"]

[Text] The report at the 14th CPC National Congress proposed that cultivation of the market system should be accelerated. This also refers to the positive efforts in cultivating the real estate market. It is an important reform measure for establishing the structure of the socialist market economy.

China's real estate market has been cultivated and developed in recent years to suit the development of the commodity economy, which has been promoted by reform of the land use system. Objectively, the development of the commodity economy requires that the land, which is an important major element of production, should enter the unified market as a special commodity and enter the circulation sphere. Otherwise, the unified socialist market cannot be said to be perfect. Reform of the land use system, that is, to change the system of uncompensated and indefinite use of land without circulation into a system of compensated use of land within a definite time and in circulation, is the decisive factor in cultivating the real estate market.

Since Shenzhen broke the forbidden zone some years ago and sold the right to use the state-owned land by auction for the first time, Shanghai, Zhuhai, Fuzhou, Xiamen, Wenshou, Ningbo, and other cities have followed its example and tried to do the same. In as little as several years, this reform has rapidly developed from experimental points to various areas, and from coastal areas to the hinterland. The sale of large stretches of land, the sale of ancestral land, and reconstruction of old cities can be seen everywhere. Although the breakthrough points selected by various areas differ from one another, there is one thing in common, that is, it is necessary to regard the land as a special commodity and put it into the market.

With the deepening of reform of the land use system, people have recognized more profoundly that reform is not only an effective way to optimize the allocation of land resources and protect these resources but also an effective way to create and collect wealth and achieve the best possible results from land resources. "The land is the source of wealth." This brilliant thesis has been proved by China's practice in reform of the land use system.

At present, all localities in our country are accelerating the pace of reform and opening up and the pace of economic construction. There have been increasing needs for land in various fields, such as industry, commerce, railway construction, communications projects, urban construction, and house construction. Especially, in the coastal areas, border areas, the areas along rivers, and the open cities in the hinterland, development zones have been established one after another, and the real estate business has become the "flashpoint" of development there. The number of real estate development companies is increasing rapidly. In some areas, problems have also appeared. For example, some leaders are too impetuous in developing this business; excessive land has been developed; large areas of cultivated land have been used to develop real estate; some companies have been vying with one another to reduce land prices; some areas have exceeded their authority to approve the use of land; and the phenomenon of the spontaneous transaction of land has appeared in some areas. It is understandable that many people are talking about this.

Judging from the overall situation, the development of the real estate market and a brisk real estate market is a symbol of further economic development. This should be affirmed, because it conforms with the policy of reform and opening up put forth by the central authorities. The emergence of some problems is inevitable in the initial stage of development. They are mainly the result of lacking experience and not acting in accordance with laws and regulations. So long as we attach great importance to these problems and maintain clearheaded, continuously sum up experiences, act in accordance with laws and regulations, and work step by step and in a planned way, they can surely be solved.



To cultivate a standardized real estate market, it is first necessary to push the land into the market. Especially under the condition that China's real estate market is still undeveloped, it is imperative for us to accelerate the pace of reform and extend the range of land for sale. At the same time, it is necessary to gradually put the spontaneous transaction of the land onto the track of normal operation according to the law.

To cultivate a standardized real estate market, the key lies in working out a reasonable plan for the use of land in accordance with the plan for economic and social development and the plan for the development of cities and towns, and maintaining a basic balance in the general land supply. High-level planning should gradually be able to provide sufficient basis for the sale and allocation of the land. A pressing matter at present is to solve the problem of planning falling behind development.

To cultivate a standardized real estate market, an important thing is that the government must effect regulation and control over the land market, and enliven this market. The characteristic of insufficient land resources and the implementation of public ownership in China demand that land sales be regulated and controlled by the government, and that the land management departments and land use departments be separated.

According to the "Provisional Regulations of the PRC on the Sale and Transfer of the Right To Use the Land" (the State Council's Decree No 55), the sale of the land use right by the government means an exclusive sale by the government, and by the legal representatives. Without approval, the land allocated by the administrative department should not be sold. The collectively owned land should not be sold if not taken over for use by the state. The large stretches of land for development, especially those for sale, should be sold by stretches according to the prospective projects to be developed. At the same time, it is necessary to implement the measures, such as registration of the change of owners, land price assessment, and supervision and examination, in the transfer and sale of land.

To cultivate a standardized real estate market, it is necessary to adopt different forms of land supply and different land price policies in light of the different purposes of the land. The land which is for various non-profitable construction projects can be supplied in a form of administrative allocation, but should not be sold and should not be put onto the market. The supply of land for profitable construction purposes should be gradually changed into a method of selling and buying. The price of land for industrial use should be higher than the total amount of expense for requisitioning land for the purpose of dismantling houses and helping to resettle people, and the expenses for development. The price of land used by other trades and undertakings should be higher than the land for industrial use.

To cultivate a standardized real estate market, it is necessary to examine and approve the land in strict accordance with the law. The land for various construction purposes should go through the examination and approval procedures stipulated by laws and regulations. Some people think that as power is delegated to the lower levels and bold explorations are encouraged, certain breakthroughs can thus be made in implementing the existing laws and regulations. This is actually a misunderstanding. According to Zhuhai's experience, it is necessary to carry out unified planning and management and to requisition and sell the land in a unified way. When the land use right enters the market, price control should be relaxed so there can be competition on an equal basis. According to Chongqing's experience, all powers can be delegated to the lower levels only with the exception of the powers of family planning, environmental protection, and land examination and approval. The experience of the developed countries also proves that the more socioeconomy is developed the more perfect the laws and regulations should be. Therefore, we must uphold the principle of "abiding by the law and enforcing the law strictly."

To cultivate a standardized real estate market, it is also necessary to establish and perfect relevant management mechanisms. A pressing task at present is to establish some intermediary organizations, such as price assessment, consultation, and arbitration organizations, in light of the operation of the market mechanism, and to train and bring up a number of professionals as soon as possible.

The development of the socialist market economy is an inexorable trend of history, and deepening reform of the land use system and cultivating a standardized real estate market is the general trend of our times. We must get a clear understanding of the situation, seize the current opportune time, emancipate minds, make further advances, and strive for an early formation of a standardized real estate market.

### **Tax Departments To Speed Up Reform of Tax System**

*OW1811121192 Beijing XINHUA Domestic Service in Chinese 0243 GMT 15 Nov 92*

[By reporter Ding Jianming (0002 1017 6900)]

[Text] Beijing, 15 Nov (XINHUA)—Recently, the State Administration of Taxation organized cadres to seriously study the 14th CPC Congress guidelines, calling on them to integrate the realities of taxation with the guidelines and to put forward ideas and measures for accelerating reform of the tax system.

The State Administration of Taxation proposed that in light of the call made by the 14th party congress for efforts to develop a socialist market economy, to revitalize state-run large and medium enterprises, and to restructure the economy and improve economic efficiency, it is necessary for us to introduce reform to our

tax system accordingly in the near future. On the basis of the current compound tax system, we should unify the tax administration, centralize tax authorities, fairly apportion tax responsibilities, simplify our tax system, readjust our tax rates, standardize our methods of apportionment, and improve the relationships of tax apportionment. It is necessary to bring into full play the power of macrocontrol and properly organize our income, promote economic operating mechanisms, and change and improve operational mechanisms among enterprises, thereby enhancing the development of social productive forces.

The State Administration of Taxation held that as a principal source of our state revenue and an important means of macrocontrol, tax revenue plays an extremely onerous role in deepening reform and opening up wider to the outside world and speeding up economic development. So that tax revenues may better serve and be subordinate to the process of deepening reform and opening up wider to the outside world, tax departments should further study and revise tax policies and improve management, as well as their work style and methods. In particular, we should quicken the pace in reforming our tax system and be determined to make adjustments to simplify and combine some categories of taxes, accelerate the reform of turnover taxes, enterprise income taxes, and personal income taxes to meet the demands of social and economic development. We must also readjust part of the tax items and tax rates to achieve a fair responsibility for tax burdens, promote fair competition, as well as improve the relationships of tax apportionment. It is necessary to accelerate the legislation of collecting and administering taxes to further standardize the behavior of both the tax collectors and taxpayers within the law, to improve our methods of collecting and management, vigorously implement the system of administering taxes openly, as well as to simplify procedures and raise work efficiency. At the same time, we must readjust part of the terms of reference for tax collection and give specific autonomy to various localities.

#### **Government To Expand Labor Arbitration System**

HK1711054092 Beijing CHINA DAILY in English 17  
Nov 92 p 1

[Article by staff reporter Gao Jinan: "Expanded Arbitration for Labour Squabbles"]

[Text] China's existing labour arbitration system will be expanded to cope with the increasing number of labour disputes, an official with the Ministry of Labour has revealed.

Revised draft regulations on the settlement of enterprise labour disputes have been submitted to the State Council, which is expected to approve it within weeks, the official said in an interview with China Daily yesterday.

The establishment of an arbitration system with full-time arbitrators and arbitration tribunals is spelled out

in the regulation, said Fan Zhanjiang, division chief in the ministry's Department of Labour Administration and Employment.

He estimated that about 20,000 full-time arbitrators and many more part-time arbitrators will be required to handle the cases.

The arbitrators will investigate the labour disputes according to related laws and regulations without any administrative interference.

The system, which has been used on a trial basis in Henan, Hunan, Zhejiang and Liaoning provinces as well as in Beijing and Shanghai in the past few years, has worked well, Fan said.

The new regulations are applicable to all enterprises in China, including State-owned, private or foreign-funded firms.

Fan said that he sees a "sharp increase" in labour disputes by the time the regulations take effect—very possibly next year—as a result of the ongoing economic surge across the country.

China abolished the arbitration system in 1956 when the government discontinued private ownership of enterprises, but restored it in 1986 as a part of its economic reform measures, which included the adoption of a labour contract system in State-owned firms. The number of labour disputes has increased since that time.

The existing system applies only to State-run firms.

Under the existing system, most of the reported labour disputes are settled through mediation, under which the two sides try to come to an agreement themselves. Under arbitration, a third party is called in to resolve the dispute.

At present many big State-owned enterprises have their own mediation committees composed of members representing workers, the trade union and the enterprise administration.

Last year, such mediation committees handled a total of about 90,000 disputes, and over 90 percent were settled satisfactorily.

The unsettled cases were forwarded to city or provincial labour arbitration committees, which are also made up of representatives from the labour administration department, trade unions and enterprises, Fan explained.

There are now some 2,900 local arbitration committees across the country with a total staff of some 5,000.

From their establishment in 1986 until this June they handled about 250,000 labour disputes.

### **Zou Jiahua Appoints Advisor to Information Center**

*OW1711135292 Beijing XINHUA Domestic Service in Chinese 1322 GMT 9 Nov 92*

[By reporter Zhang Jinsheng (1728 6930 0524)]

[Excerpts] Beijing, 9 Nov (XINHUA)—The State Planning Commission held in Beijing today a ceremony for hiring Lawrence Klein as advisor to the State Information Center. He is a winner of Nobel Prize in economics, founder of U.N. "World Economy Forecast Project," and honorary professor at the University of Pennsylvania.

Zou Jiahua, vice premier and minister in charge of the State Planning Commission, awarded the letter of appointment to Professor Klein and addressed the ceremony. Professor Klein cheerfully accepted the appointment. Sheng Shuren, vice minister in charge of the State Planning Commission, attended the ceremony. [passage omitted]

Vice Premier Zou Jiahua expressed his sincere thanks to Professor Klein in his speech during the ceremony. Zou Jiahua said: Since 1980, China has begun research on macroeconomic model and its use in economic analysis and forecast, but generally speaking, our economic analysis and forecasts are not of high standards. Today, it is our honor to have Professor Klein as advisor to our State Information Center. His advice will help raise the standards of our economic analysis and forecast. Gao Chunde, director of the State Information Center, and Professor Klein also spoke. Both are convinced that the cooperation between the two sides will become even more effective in the days to come, and it will help the building of a socialist market economy structure in China.

### **Water Minister Attends Irrigation Rally**

*OW1811090892 Beijing XINHUA Domestic Service in Chinese 1233 GMT 14 Nov 92*

[Text] Beijing, 14 Nov (XINHUA)—On 14 November, Beijing municipality held a mobilization rally on the construction of irrigation works this winter and next spring. Yang Zhenhuai, minister of water resources, attended the rally and spoke. He said that Beijing municipality ranks in the forefront of irrigation work construction nationwide, and the experience of Beijing will surely facilitate the construction of irrigation works across the country.

Yang Zhenhuai said: Last year Beijing municipality mobilized hundreds of thousands of people to harness the Liangshui He. Jiang Zemin, Li Peng, and other leading comrades of the center personally went to the worksite at Liangshui He to participate in the labor. This led to an upsurge to construct irrigation works in Beijing, driving the construction of irrigation works around the country to a climax. Moreover, Beijing municipality has

broken the practice in which the construction of irrigation works during the winter is confined to rural areas. Urban and rural areas worked together, and all the people contributed funds and labor. Beijing's example became a model nationwide.

Yang Zhenhuai held: The construction of irrigation works in Beijing this winter and next spring, to be unfolded soon, has two features. First, to integrate the harnessing of big rivers with the construction of irrigation works and raising the flood prevention standards of Yongding He to bring benefits to the people of Beijing. And, second, it will integrate the harnessing of rivers with economic development so that water conservancy will set in motion the mechanism of development and a virtuous circle and bring about a far-reaching first step of changing toward a socialist market economy.

Chen Xitong, state councillor and mayor of Beijing municipality, presided over the rally. Huang Chao, vice mayor of Beijing, gave a briefing on the present state of water conservancy in the municipality and the tasks in constructing irrigations works this winter and next spring.

### **Shandong City Establishes First Enterprise Fund**

*SK1211041692 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 11 Nov 92*

[Text] The Zibo city government and the China Rural Development Trust and Investment Corporation held a ceremony at Beijing's Diaoyutai state guesthouse on 11 November to sign an agreement on the establishment of the Zibo township enterprise investment fund. The Zibo Township Enterprise Investment Fund is the first investment fund approved by the head office of the People's Bank of China and is China's first company-type fund, first special fund for township enterprises, and first fund which has been approved to trade in different localities. An investment fund is a monetary tool widely used throughout the world for two decades.

The Zibo township enterprise investment fund will be raised jointly by the China Rural Development Trust and Investment Corporation, the Zibo Trust and Investment Corporation, the Zibo branch of the Communications Bank, the Shandong Securities Company, and the Shandong Trust and Investment Limited Company of the Industrial and Commercial Bank of China. To manage the fund well, the Zibo Investment Fund Management Company will also be established.

As was learned, the scope of the Zibo township enterprise investment fund is 300 million yuan in face value. Bonds worth 100 million yuan will be issued first, and the time limit for the bonds is eight years.



**High-Yield Natural Gas Found in East China Sea**  
*OW1711083192 Beijing XINHUA in English 0755*  
*GMT 17 Nov 92*

[Text] Shanghai, November 17 (XINHUA)—China has got high-yielding natural gas at the No. 5 well of the offshore Pinghu oilfield in the East China Sea.

This was revealed Monday by a spokesman with the Shanghai Oil and Gas Company, set up last September. According to him, the daily output of natural gas at the well reaches 151,800 cu m and the output of condensate amounts to 29.3 cu m.

The No. 5 well is the company's first well for appraisal ever struck in the Pinghu oilfield. It was jointly built by the No. 3 marine geological prospecting team under the Shanghai Marine Geological Prospecting Bureau, Sino-French funded Bohai Geological Services Company, the

Schlunberger Logging Co. of France and the drilling technology company of the China Bohai Oil Corporation.

The spokesman said they hoped to collect necessary reference data through the development of the well for further and overall prospecting at the Pinghu oilfield.

Testing of the natural gas at the well still continues and is expected to be over by the end of this month, he said.

According to the overall development plan of the company, gas from the Pinghu oilfield will be sent by pipelines to the Pudong New Area for household supply, which will begin in 1996.

The company is seeking co-development partners abroad for more funds and sophisticated technology, said the spokesman, adding that the company is negotiating with companies from the United States and Australia.

## East Region

### Anhui Secretary Urges Implementing Regulations

OW1811125792 Hefei Anhui People's Radio Network in Mandarin 1100 GMT 15 Nov 92

[From the "Provincial Hookup" program]

[Excerpts] At the recent provincial government forum on implementing regulations, provincial party committee Secretary Lu Rongjing pointed out: Setting up a socialist market economy structure is a grand function in the social system, and the government and enterprises must improve to become proficient in a socialist market economy. The principal responsible comrades of party committees and governments at all levels must regard the study and implementation of regulations as the central task, truly speed up the change of enterprise operating mechanisms and government functions, and push enterprises toward the market.

The provincial government held a forum on implementing regulations in Hefei 11-12 November. Responsible persons from relevant departments of the province and Hefei, and the city's 23 large and medium enterprises, held face-to-face discussions that revolved around the theme of implementing regulations, changing operating mechanisms, and delegating power to enterprises to run their own affairs.

Lu Rongjing; (Wang Taihua), deputy secretary of the provincial party committee and secretary of Hefei party committee; and Long Nian, vice governor, attended the forum. They held discussions with responsible persons of enterprises and made decisions on the spot to resolve some problems.

The participants unanimously held that both the government and enterprises are responsible for implementing regulations, and they must do so in earnest. The government must relax control while the enterprises must dare to venture forth. The two sides can only speed up changes to enterprise operating mechanisms and the formation of a socialist market economy structure if they work together and share the same mentality and similar good working methods. The two-day forum was lively and broke new ground, and the response was very enthusiastic. [passage omitted]

Comrades Lu Rongjing and (Wang Taihua) spoke at the forum's close.

Comrade Lu Rongjing said: It is very good for enterprises and government departments to exchange ideas and information, shape a consensus, and improve understanding. We all stress (?changes). Both the government and enterprises must work hard in this regard or else things will become one-sided. There are still many weak links in Anhui in implementing regulations, and the problems with familiarity, complementarity, standards, and adaptability still exist. The 14th CPC National Congress proposed forming a socialist market

economy structure. The central link is to deepen enterprise reform, and the crux lies in changing the enterprise operating mechanism so that enterprises can become units producing and dealing in commodities, and which operate independently, answer for their own profits and losses, develop on their own, and exercise self-restraint. On the basis of these requirements, we must forge a consensus and dare to experiment and explore. If everything is done according to existing practices and regulations, then there is no need to reform. To implement regulations, party committees and governments at all levels must truly strengthen leadership. The principal responsible comrades must treat it as the central task and tackle it personally. I hope this forum will act as a driving force in Anhui, and Hefei will follow the good lead.

### Fujian Delta Increases Opening Up to Outside

OW1811173792 Beijing XINHUA in English 1617 GMT 18 Nov 92

[Text] Fuzhou, November 18 (XINHUA)—Responding to the rapid economic development in the Xiamen and Shantou Special Economic Zones, the Jiulongjiang Delta in southeast China's Fujian Province has also achieved marked progress in opening to the outside world and developing local economy.

Covering an area of nearly 900 square kilometers and located between the two special economic zones in Xiamen and Shantou, the Jiulongjiang Delta boasts convenient traffic and has a long coast along which many deep water harbors can be built. The Jiulongjiang River is only second to the Minjiang River in Fujian Province, southeast China.

To change the self-supporting economy centering on agricultural production, which still held a dominant position in the area in the 1980s, local governments worked out a strategy on economic development in the delta area in early 1990.

To make the area more attractive to investors, local governments have invested a total of 340 million yuan in the construction of infrastructures, including highways, railways, a substation with a capacity of 110,000 volts and two 35 kilovolt substations. They also borrowed 10 million U.S. dollars from foreign countries and set up two water supply projects. Each provides 350,000 tons of water daily.

In tandem with the implementation of the economic strategy, an industrial corridor along the Jiulongjiang River has taken shape. At present, five industrial zones including Jiaomei, Lantian, Guokeng, Jinfeng and Qianfeng have been set up on the north bank of the river; the Zhangzhou Economic Development Zone, and other two industrial zones are under smooth construction on the south bank of the river. Additionally, a development zone at the mouth area of the river, with a designed area of 18 square kilometers, will be constructed very soon.

Meanwhile, export-oriented economy has also developed rapidly in the delta area. In the past three years, the area approved 202 foreign funded enterprises, using 97.3 million U.S. dollars. The number of newly approved foreign funded enterprises and the amount of foreign funds used increased by 69.7 percent and 3.3 times respectively over the figures for 10 years before 1989.

As a result of its opening to the outside world, the delta has witnessed rapid development of its industrial and agricultural production and the service sector. Zhangzhou city in the central part of the delta expects to see a marked increase in its total gross domestic product and industrial output value, which are predicted to reach 6.86 billion yuan and 13.13 billion yuan respectively in 1992. The figures represent annual average increase rates of 11.6 percent and 16.6 percent respectively in the past three years, the highest speed since the reform and opening.

#### Jiangsu Editorial Hails CPC Congress

OW1811142592 Nanjing XINHUA RIBAO in Chinese 5  
Nov 92 p 1

[Editorial: "A Great Banner—On Studying and Implementing the Guidelines Laid Down by the 14th CPC National Congress"]

[Text] The 14th CPC National Congress is a shining milestone in our party's history. The congress pooled the wisdom of the whole party to systematically summarize and expound the theory on building socialism with Chinese characteristics forward by Comrade Deng Xiaoping and affirmed the guiding role played by the theory in all the tasks confronting the party. This great theory is a great banner which will guide the whole party and all the Chinese people to successfully fulfill the objective of socialist modernization and guide them to forge ahead courageously for the prosperity of the motherland and for growth and development of the socialist cause.

The theory of building socialism with Chinese characteristics is a great Marxist banner in modern China. It signals that scientific socialism has entered into a new stage in the history of the development of Marxism. In his report to the 14th CPC National Congress, Comrade Jiang Zemin pointed out: "During the more than 100 years since the 'Communist Party Manifesto' was published, the victories of the October Revolution in Russia, the revolution in China, as well as the revolutions in some other countries, have proven that the proletariat can successfully lead the people in seizing political power. As for how to build socialism, important achievements and valuable experiences have also been attained, but generally speaking, we still need to explore them in real earnest. The drastic changes in the international situation in recent years have provided much food for thought in this respect." The theory of building socialism with Chinese characteristics is a great theory created by our party and the people after their great practice in

reform and opening up over the past 14 years and after historical comparisons and international observations. This theory provides answers in a comparatively systematic way to a series of questions about how to build, consolidate, and develop socialism in a country that is comparatively backward in economic development and general education like China. In particular, as an important content of the theory, looking upon establishing and improving a system of the socialist market economy as the objective of our reform of the economic system is a new, major breakthrough and an important amplification of Marxist theory. Half a century ago, Comrade Mao Zedong, the nucleus of the CPC first-generation leadership, created the theory of new democratic revolution, and thus, carried forward Marxism-Leninism; and today, half a century later, Comrade Deng Xiaoping, the nucleus of the second-generation leadership of the party, injected new vitality into Marxism-Leninism-Mao Zedong Thought when he created the theory of building socialism with Chinese characteristics with the tremendous political courage that blazed a new trail in socialist construction and with the tremendous theoretical courage that pioneered a new realm of Marxism. This represents another important contribution that our party has made to the treasury of Marxist theories. Raising high the banner of the theory of building socialism with Chinese characteristics and arming the whole party with the theory will raise the whole party's consciousness of Marxism to a new level and make new contributions to carrying forward Marxism.

The theory of building socialism with Chinese characteristics is a great banner that will guide us from one victory to another. It points out the correct road to be taken by us to achieve socialist modernization. The 14 years after the Third Plenary Session of the 11th CPC Central Committee were an extremely extraordinary period. Following the ideological line of seeking truth from facts advocated by Comrade Deng Xiaoping, the party and the people carried out practice step by step; conducted one experiment after another; continuously broadened their horizons and created new things; summed up new experiences; found the road of development suited to the national conditions of China; and ushered in a new period of development of the socialist cause in the course of their socialist reform, opening up, and modernization. The first part of the 14th CPC National Congress report sums up the great practice in the past 14 years. It offers the most complete summarization to date of the nine aspects of the road for developing socialism, the development of socialism in stages, the fundamental task, the motivating force of socialist development, external conditions for socialist construction, political guarantees for socialist construction, strategic steps, forces that lead the building of socialism and that are relied upon, and the motherland's reunification under "one country, two systems." It is a necessity for building theories, and meanwhile, provides clear and definite answers to the confusion, doubts, and worries in the heads of certain people. With the help of this systematic, theoretical summarization, people get a clearer picture of the road which is in



keeping with the realities in China and aims at making our people prosperous and our country strong and becoming even more resolute than ever in their determination to accelerate reform, opening up, and modernization. Just like the Seventh CPC National Congress, which quickly led a new democratic revolution to victory after having established Mao Zedong Thought as the guiding ideology for the whole party, the 14th CPC National Congress, which established the guiding role played by Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics in the whole party, will surely lead us to achieve even more glorious successes in socialist modernization and further show the socialist system's strong vitality in China.

The theory of building socialism with Chinese characteristics is like a great banner which enhances unity. It shows the strong unity of the whole party and of the people's will. The socialist modernization undertaking's victory is inseparable from the unity of the whole party and of the people. Unity generates cohesiveness; it enhances fighting strength; and only through unity will productive forces be further developed. The 14th CPC National Congress showed and enhanced the party's unity. The congress systematically summed up the theory of building socialism with Chinese characteristics, unified ideological thinking, and strengthened the theoretical base for unity. In the last 14 years, it was exactly because of Comrade Deng Xiaoping's guiding theory on building socialism with Chinese characteristics that our country's economic construction has reached a new level, that the people have improved their lives, and that our country's overall strength has increased. From the facts of the economic development they have seen and heard and from the tremendous changes that have transformed their lives, people have come to realize this theory's correctness. The nine theoretical views that the report to the congress have summed up correspond to the will of party members and the people. Using this great theory to arm the whole party and the people in the country will surely and greatly mobilize their enthusiasm and inspire their creativeness for realizing the task of socialist modernization. We should closely rally around the new leading group with Comrade Jiang Zemin at its core, and with one heart and mind strive for a greater victory.

Great practice needs a great theory. Only by integrating great theory and great practice will we generate strong vitality. At present, we should act according to the provincial CPC committee circular on studying, propagating, and implementing the congress guidelines and launch campaigns to study and disseminate Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics. Comrade Jiang Zemin's report to the congress fully implemented Comrade Deng Xiaoping's theory. The report is a programmed document that will guide us to accelerate reform, opening up, and promote the economic development and general social progress; therefore, it is necessary to organize party members, cadres, and the masses to earnestly study the

report. We should integrate studying this document with studying the important remarks made by Comrade Deng Xiaoping during his south China inspection early this year and his other related speeches and remarks. It is important to genuinely unify the thinking of cadres and the masses to Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and to the 14th CPC National Congress' spirit. The essence of emancipating the mind and seeking truth from facts must be understood in full before studying the theory on building socialism with Chinese characteristics. It is necessary to further determine the ideological line of seeking truth from facts through studying the theory. We should continue emancipating the mind, changing concepts, and make our thinking adapt to the developing and changing new situation. The purpose of studying the theory is so that we can apply it properly. It is important to make great efforts to implement the congress' spirit. Leading comrades at all localities should integrate the theory on building socialism with Chinese characteristics with the local situation. They should be courageous in practice; bold in creation; and constantly help create a new situation in reform, opening up, and economic construction.

#### **Jiangsu Governor Discusses Congress Guidelines**

*OW1711142492 Nanjing Jiangsu People's Radio  
Network in Mandarin 1015 GMT 13 Nov 92*

[From the "News" program]

[Text] Chen Huanyou, deputy secretary of the provincial party committee and governor, held discussions with responsible comrades from the party committees of some cities and counties in northern Jiangsu. Factory directors and managers from some state-run large and medium enterprises, as well as village and town enterprises, also attended the discussions. Participants in the discussions, which took place in Huaiyin and Yangzhou 10-12 November, exchanged their experiences in studying and implementing the 14th national party congress guidelines. They also reviewed and summed up their progress and experience in various fields of work, especially in the economic realm, since the beginning of this year. They stated their views on ways to further promote reform, openness, and economic development throughout the province next year.

During the discussions, Chen Huanyou said: At present, we should continue to study and implement the congress guidelines. Specifically, we should further emancipate our minds, change our concepts, and widen our mental outlook in accordance with the theory of building socialism with Chinese characteristics and the requirements of building a socialist market economy. We should do our work creatively in light of the realities of our localities and units. We should also maintain and increase momentum in our drive toward reform, openness, and economic construction.

Chen Huanyou said: In studying and implementing the congress guidelines, we should pay attention to earnestly summing up our experience in carrying out work since the beginning of this year. Inspired by Comrade Xiaoping's talks during his tour of southern China and by the guidelines of the CPC Central Committee Political Bureau plenary session, the broad ranks of cadres and people have emancipated their minds, raised their spirits, and worked enthusiastically and creatively since the beginning of this year. Various localities have adopted sound practices and gained ample experience during the upsurge of all-out reform, openness, and development. This will have a positive impact on efforts to be undertaken next year or sometime in the future. We should conduct investigations and studies; sum up new experience; further widen our visions; and assume an active, farsighted, and scientific attitude toward our work.

On next year's work, Chen Huanyou said emphatically: The 14th National Party Congress has laid down the major policies and principles. The key lies in working out the specifics and priorities of our work in accordance with the 14th national party congress guidelines. For instance, we should display the spirit of seizing the opportune moment to accelerate progress in economic work. We should resolve the problems of poor economic management and inefficient operational mechanisms in our drive toward deepening reform. After joining GATT, we should implement new measures in three areas of external work as a means of opening wider to the outside. We should formulate realistic and effective measures in accordance with the realities of our localities, departments, and units. Also, we should further open up new prospects for various fields of our work while carrying forward the work style of seeking truth from facts, dealing with concrete problems, and implementing the guidelines.

Responsible comrades from relevant provincial departments attended the discussions.

#### **Information Market Opens in Jiangsu**

OW1911101792 Beijing XINHUA in English 0855  
GMT 19 Nov 92

[Text] Nanjing, November 19 (XINHUA)—An information market sponsored by the Jiangsu Provincial Economic Information Center and 30 other units opened for business Wednesday in this capital of east China's Jiangsu Province.

The market will provide information collected from various kinds of comprehensive and specialized markets in the country—covering business affairs, science, technology, finance, transportation, real estate and other fields. In addition, it will provide special services in accordance with the needs of customers.

In a bid to expand information resources and ensure the accuracy and timeliness of information, the market will set up branches in some cities and counties, and establish

relations with some enterprises and institutions in order to form a wide-ranging and effective information network.

#### **Secretary Addresses Shandong CPC Committee Plenum**

OW1811130692 Beijing XINHUA Domestic Service in  
Chinese 0445 GMT 16 Nov 92

[By reporter Cheng Deyuan (4453 1795 3293)]

[Text] Jinan, 16 Nov (XINHUA)—At a recent expanded plenary session of the Shandong Provincial CPC Committee, Jiang Chunyun, member of the CPC Central Committee Political Bureau and secretary of the Shandong Provincial CPC Committee, stressed: To study and implement the 14th CPC National Congress guidelines, we must have an in-depth understanding of the importance and arduousness of building a socialist market economic system, truly increase the intensity of reform, and be determined to solve problems that have hampered the development of productive forces and dampened people's enterprising spirit.

Jiang Chunyun said: To enable the economy to develop at a high rate and with high efficiency, we must further emancipate our minds and change the way we think. Currently, our minds are not adequately emancipated, and the way we perceive things has not changed fast enough; this is still a major obstacle that has constrained reform, opening up, and economic development. We must do away with outmoded ideas, habits, and ways of thinking formed over the years in the environment of natural, product, and conventional planned economies; and we should develop new ideas and establish a new way of thinking that are in line with the development of a socialist market economy.

Jiang Chunyun pointed out: To emancipate the mind, we must insist on seeking truth from facts. On the one hand, we should have the courage to pioneer new ideas, experiment on new things, and take risks, as long as they conform to Comrade Deng Xiaoping's principle of being "conductive to three causes" [conductive to developing our socialist society's productive forces, increasing our socialist country's overall strength, and improving the people's living standards]; and, on the other hand, we should guard against losing our minds, ignoring the objective reality, being aroused to precipitate actions, and doing things blindly. We should insist on acting according to reality; should emphasize quality, variety, and efficiency; and should insist on maintaining a balance between the speed of development and efficiency. We must not try to seek quick results and solely pursue high output value and high speed of development. In particular, we must not engage in fraudulent practices. In general, we should take advantage of the current favorable conditions to quicken the development pace. We should turn out products as fast as we can as long as they

are of good quality, can be produced with good efficiency, and meet domestic and overseas market demands.

Jiang Chunyun urged leaders at all levels to learn to use the dialectical materialist stand, viewpoint, and method to analyze problems and guide work. He said: As leading cadres, we should particularly know well the relationship between "cool" and "hot." When most people are relatively "hot," we should keep ourselves cool, try to find out in a timely manner problems that show symptoms of new tendencies, and take action to prevent these problems from arising and to overcome them. We should see to it that the masses' great enthusiasm and enterprising spirit are properly protected, guided, and developed. Currently, problems concerning blindly embarking on new projects and building low-standard projects similar to existing ones have begun to crop up; and the supply of energy, funds, and some kinds of means of production, as well as transportation conditions, have been strained. We should attach great importance to these problems. We should try to prevent drastic economic fluctuations and ensure that the economy will develop at a high speed and in a steady and coordinated manner.

Jiang Chunyun urged all localities in Shandong to seriously review how management powers had been delegated to enterprises. He said: Powers that ought to be delegated to enterprises should be fully given to enterprises; these powers should be given to enterprises directly and thoroughly; no localities and departments are allowed to withhold them. Party and government organs at all levels should quicken the pace of structural reform, which should center on simplifying administrative procedures, delegating power to lower levels, and transforming government functions.

### Central-South Region

#### Guangdong Secretary Meets Non-CPC Figures

HK1911071792 *Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 2 Nov 92*

[Excerpts] Provincial party Secretary Xie Fei this morning met with non-CPC figures in Guangzhou to discuss the 14th party congress' spirit and to seek their opinions on provincial party committee measures for implementing the spirit. Persons-in-charge of the province's democratic parties of different nationalities and people without any party affiliation, including Zeng Zhaoke, Chen Zupei, Xie Songkai, [words indistinct], Shen Yongchun, Zeng Jinyi, Cheng Zhiqing, Ling Yongfu, Tang Quojin, Qu Jingxin and Yao Jiaoying, about 20 in total, were invited to the discussion which was called by the Guangdong Provincial CPC Committee. [passage omitted]

Having listened to speeches by non-CPC figures, Xie Fei thanked them for speaking frankly and sincerely and said: At present, the situation is very good. The whole nation and province are all united in heart and mind in

pursuing economic construction and building a socialist market economic system. All political parties should play their parts [words indistinct] and the provincial party committee can better serve these political parties in work and organization. [passage omitted]

#### Guangxi Secretary Addresses Party Session

HK1711152892 *Nanning Guangxi People's Radio Network in Mandarin 2300 GMT 12 Nov 92*

[Text] The enlarged fifth plenary session of the sixth regional party committee ended in Nanning yesterday. Regional leaders, such as Zhao Fulin, Chen Kejie, Liu Mingzu, Ding Tingmo, Peng Guikang, Wen Guoqing, and Li Enchao, sat at the rostrum. The session passed the communique of the enlarged fifth plenary session of the sixth regional party committee. Comrade Zhao Fulin made an important speech on how to implement the spirit of the session, and he stressed five points:

First, it is necessary to earnestly study, popularize, and implement the 14th party congress' spirit.

Second, we must work hard to realize the goal of economic development in the 1990's. Zhao Fulin said that, in the final analysis, to implement the 14th party congress' spirit, it is necessary to expedite reform, opening up, and economic construction as well as concentrate strength on developing the economy. He said that the region's economic development can be faster than any period in its past—and can even be faster than in the whole country. Average annual growth may reach a double-digit figure. We may quadruple GNP two or three years ahead of schedule.

The third point in Zhao Fulin's speech focused on stepping up the effort to build a socialist market economy system.

The fourth point addressed expanding opening up to the outside world.

The last point in Zhao Fulin's speech is about strengthening party building and improving party leadership. He said that, according to the demands raised at the 14th party congress, we must do our work well and earnestly use Deng Xiaoping's theory of building socialism with Chinese characteristics to arm the entire party.

#### Hainan Hires Overseas Chinese Students in U.S.

HK1911020692 *Haikou Hainan People's Radio Network in Mandarin 2300 GMT 16 Nov 92*

[Text] Vice Governor Xin Yejiang, who went to the United States to recruit Chinese students studying there, flew back to Haikou via Beijing last night. Wang Houhong, provincial party committee standing committee member and secretary general of the provincial party committee; Mao Zhijun, vice governor; and (Yu Bing), secretary general of the provincial government, greeted him at the airport.



The work group responsible for recruiting Chinese students overseas is comprised of 72 persons. It is organized by the State Education Commission and the Ministry of Personnel in conjunction with 59 units in the country. The work group is divided into nine sub-groups, which have gone to nine countries, such as the United States, Britain, France, and Germany, to recruit Chinese students overseas for jobs at home.

The sub-group stationed in the United States is the largest, and consists of 20 people. On 21 October, headed by our Vice Governor Xin Yejiang, the sub-group departed Beijing for the United States.

Xin Yejiang told reporters at the airport that the sub-group, which is now stationed in the United States, went to some 20 states, visited more than 70 universities, held some 70 forums and discussion meetings, and was welcomed everywhere by the Chinese students overseas.

He said that many Chinese students studying overseas are very interested in Hainan. Wherever he went, he would vigorously popularize Hainan and tell the students that they are welcome to work in Hainan, and that, if they do not want to come to Hainan but are willing to work for Hainan, they are also welcome.

#### **Hubei Secretary Calls for Socialist Market Economy**

*HK1911020492 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 13 Nov 92*

[Excerpts] From 2-5 November and 7-11 November, provincial party Secretary Guan Guangfu went to Xiaogan Prefecture to investigate, seeking measures to study and implement the 14th party congress' spirit and promote the building of a socialist market economy. He talked extensively with the prefecture's party and government leaders, entrepreneurs, workers, peasants, and individual industrial and commercial operators, looking for development plans to bring wealth to the rural areas and peasants, and to bring wealth and vitality to enterprises.

He pointed out that when we build a socialist market economy, we must emphasize invigoration of state-run enterprises; carry out no-holds-barred development of nonpublic enterprises; actively adjust the industrial structure in the rural areas; adjust the structures for farm production, processing, value-added production, and socialist large-scale agriculture; and build a number of markets which have upward links with various localities in the whole country, and downward links with hundreds of thousands of households.

Guan Guangfu said that the study of the 14th party congress' spirit should really enable cadres and the masses to emancipate the mind, break the concept of superior-inferior relations, develop enthusiasm and innovative spirit, do things in a down-to-earth manner

and in accordance with the objective economic laws, proceed from reality, and grasp the opportune time to expedite development.

Guan Guangfu said that state-run enterprises, as the pillar of the national economy, have made big contributions; however, at present, enterprises have heavy burdens and old equipment, and are seriously hindered by the product economy model, the unitary economic management system, and habit. To develop a socialist market economy, it is necessary to tackle the problems faced by state-run enterprises. [passage omitted]

Guan Guangfu stressed that to liberate productive forces, the first thing to do is to liberate enterprises and untie the rope around the hands and feet of factory managers. It is necessary to strengthen the central role of factory managers in enterprises, do things strictly in accordance with the Enterprise Law, and really delegate various kinds of decisionmaking power to factory managers. The enterprises wanting to change their internal operating mechanisms must continue to grasp the three reforms of system. Corresponding to the change of mechanisms within enterprises, a labor market must be established to enable labor forces to be trained, and to flow rationally. Regarding the redundant personnel in enterprises, we must create conditions for them and look for production jobs for them, but they must not eat from the same big pot.

Guan Guangfu said: The development of the national economy depends on an increase in industrial proportion. At the same time we try to invigorate state-run enterprises, it is necessary to begin no-holds-barred development of collective and other nonpublic economies, concentrate energy to develop our own strong industries and products, and upgrade their quality and standard.

When talking about agricultural problems, Guan Guangfu said that agriculture's position must be strengthened, and that Hubei's strong point of grain and cotton cannot be abandoned. It is necessary to work hard to create rich peasants and villages through adjustment, and to promote a thorough development of the rural economy. [passage omitted]

Guan Guangfu said that, to a large extent, the adjustment of industrial structure in Hubei's rural areas is to build large-scale and modernized commodity bases which have local characteristics. The building of these bases must pay attention to scientific and technological input; rational injection of reproduction funds; and vigorous development of famous, special, and quality products. [passage omitted]

Guan Guangfu also visited Hanchuan County's Happy Market and Anlu City's Dongda Market. He said: The building of various kinds of markets is a very important step in promoting the building of a socialist market economy. It is necessary to properly build the markets, and enable the markets to have upward links with

various major markets in the whole country, and downward links with hundreds of thousands of households. It is necessary to organize various departments together to provide services, and enable the markets to become a good place to sell products, a good staff officer guiding adjustment, a barometer indicating changes, and a good stage featuring economic prosperity. Also, it is necessary to vigorously promote contracts on rare products, fix output goals based on sales, and let peasants set their mind at ease. [passage omitted]

Among those accompanying Guan Guangfu in the investigation trip were (Zhang Hongchang), secretary general of the provincial party committee; (Zhang Zhongding), party secretary of Xiaogan Prefecture; and Wan Gecheng, commissioner of the prefectural administrative office.

### Southwest Region

#### U.S. Lawyer Appointed Legal Adviser to Yunnan

HK1911032292 Beijing XINHUA Domestic Service in Chinese 0303 GMT 28 Oct 92

[By reporter Liang Shutang (2733 2885 2768)]

[Text] Kunming, 28 Oct (XINHUA)—The Yunnan Provincial Government today appointed Mr. Ma Rongjie from the U.S. (bo lang sen) [0130 2597 2773] Legal Affairs Agency as a senior legal adviser on foreign economic affairs.

Mr. Ma Rongjie was born in Kunming and graduated from Beijing University Law Department in 1954. As one of the earliest PRC-trained lawyers, Mr. Ma had been engaged in legal research for a long time. In 1981, he was employed as a visiting professor by the University of Minnesota Law Department and invited to teach in the United States. Later on, he was employed as a visiting professor of law by the University of California in Berkeley.

Since his emigration to the United States in 1983, Mr. Ma has been working mainly as a lawyer and is now a special legal adviser at the U.S. (bo lang sen) Legal Affairs Agency and vice chairman of the U.S. Asia Committee.

### North Region

#### Inner Mongolia Official Discusses Market Economy

SK1811130892 Hohhot NEIMENGGU RIBAO in Chinese 6 Nov 92 p 1

[By reporter Tan Yulan (6223 3768 5695): "Markets Never Protect the Backward, They Only Acknowledge the Advanced"]

[Text] When explaining the 14th CPC Congress guidelines to the cadres of Hohhot on the afternoon of 3

November, autonomous region Chairman Bu He spoke on his understanding of the theory on building the socialist market economy system based on the reality of the region.

Bu He spoke on the four issues on the socialist market economy system; the basic conditions for the socialist market economy; the transformation of the enterprise operating mechanism; and the emancipation of the mind and change of work styles.

Bu He said: We always talked about state-run economies in the past, and now we are talking about state-owned economies. A different word makes a great difference between the two terms. State-run economies are enterprises whose property right belongs to the state and which are managed by the state. State-owned economies are enterprises whose property right belongs to the state, but whose ownership can be separated from the management right. The socialist market economy requires three basic conditions. First, it should have vigorous major operators of the market, namely, enterprises or production units. Governments may wash their hands of the day-to-day activities of enterprises and allow them the right to independent management. Second, markets should be built. We should build not only markets for goods but also for major production elements. Actually, markets are places where labor is exchanged on an equal basis. Markets never protect the backward, and they only acknowledge the advanced. In the past, we said that prosperity could not be achieved without industry. Now it seems that without commerce, prosperity cannot be achieved either. Third, a system for macroeconomic regulation and control should be established and improved. Market forces have advantages and also disadvantages. We should guide enterprises to link immediate interests with long-term interests, local interests with overall interests, and the interests of one department with the interests of another.

Speaking on enterprises' transforming the operating mechanism, Bu He pointed out: First of all, we should guarantee the status of enterprises as legal persons, improve the contract responsibility system, and separate management power from ownership. Enterprises contract not only for financial business but also for state property so that state property will increase its value. Guidance to enterprises should be given through numerous typical examples. In the future, governments should in principle take charge of only one person (plant director or manager), and this person should also be appointed through competition. They should be determined to push enterprises to the market. The contracts should also include the work to promote the spiritual civilization.

In conclusion, Bu He said: We should emancipate our minds and change our work styles if we are to establish the socialist market economy system. When leading economic work, we should learn to relax control on the microeconomy and control the macroeconomy well.

Currently, we should lift control before exercising control or giving guidance. Lifting control a little bit will not lead to chaos. I hear that Baotou and Tongliao have established "Sunday markets," and have managed them fairly well. We should intensify research of the market, find out the regularity of things, and provide correct information to enterprises. Enterprises were subordinate to governments in the past, but now they are equal. We should protect the self-determination of enterprise directors and managers and improve their social status. Meanwhile, we should guard against the idea of loving the new and loathing the old, give more consideration to old and difficult enterprises, and use the market to guide enterprises.

#### **Inner Mongolia Names Regional Development Zone**

SK1811121892 Hohhot NEIMENGGU RIBAO in Chinese 8 Nov 92 p 1

[By reporter Zha Musu (2089 2606 5685) and correspondents Zou Guizhi (6760 2710 5347) and Qin Guohui (4440 0948 2585): "Chifeng's Qiaoxi Designated as Regional Economic and Technological Development Zone"]

[Text] The autonomous regional government recently approved designation of Chifeng's Qiaoxi economic and technological development zone as an autonomous regional-level economic and technological development zone. It also approved the principle of simultaneously conducting planning, business invitations, and construction so that when a tract of land is developed, economic returns are achieved.

The Qiaoxi economic and technological development zone is located at the center of Chifeng city. It covers 16 square km of land, and seven small development areas will be built according to the plan. Small commercial and trade areas will also be built in line with urban renovation and construction. Eighty-eight industrial and commercial enterprises have registered so far, and registered capital totals 16.3 million yuan. A total of 992 peasants have come to the development zone to do business or establish enterprises.

#### **Tianjin Secretary Inspects Machine Tool Plant**

SK1811131892 Tianjin TIANJIN RIBAO in Chinese 11 Nov 92 pp 1, 4

[Excerpts] Yesterday afternoon, Tan Shaowen, secretary of the municipal party committee, conducted an investigation and study at the No. 1 municipal machine tool plant, during which he said: It is necessary to use the 14th CPC Congress guidelines to unify thinking, change ideas in line with the demand of building the socialist market economic system, firmly grasp reform, and realistically implement all reform measures for invigorating state large and medium enterprises in places where needed. [passage omitted]

The No. 1 machine tool plant is one of the key state large machinery industrial enterprises of our country and is the largest gear processing and machine tool research and development center and manufacturing base of China. Over the past few years, this plant has been guided by the market during the acute market competition, and has focused the work on raising economic efficiency, changed management concepts, unceasingly readjusted product mix, relied on scientific and technological progress, vigorously developed high-technology, high-precision and high-value integrated machinery and electrical products that meet the domestic and foreign advanced science and technology development orientation, unceasingly opened up markets, and enabled enterprises to witness noticeable changes. In 1991, its total industrial output value, sales income, and profits increased by 35.5 percent, 66 percent and 110 percent respectively over 1990. During the January-October period of this year, the various economic targets of this plant all showed a fairly big increase over the same period last year, and the total amount of profits and taxes it created showed an increase of 80 percent over the same period last year.

After listening to a briefing given by the responsible comrade of the plant, Tan Shaowen pointed out: The No. 1 machine tool plant has undergone great changes over the past few years and has scored noticeable achievements in readjusting product mix in line with market demand and in developing new products and training personnel. This showed that the enterprise leaders' ideology has become more emancipated and their concepts have changed more quickly. Tan Shaowen hoped that they would conscientiously sum up experience and make continue efforts to run the enterprise even better. Tan Shaowen praised the responsible comrades of the plant for speaking out frankly. He noted: During this investigation and study, it is hoped that you will speak the truth and reflect the true situation because only thus can we be able to help in solving problems.

Tan Shaowen pointed out: At present, the whole municipality is taking steps to implement the 14th CPC Congress guidelines and to establish the socialist market economic system. The central authorities have set forth specific demands. The crucial issue now is how to implement them. Generally speaking, we should change ideas and make earnest efforts to carry out practical work on the basis of accelerating the establishment of the socialist market economic system. In changing the enterprise operational mechanism and intensifying enterprise vitality, we should do a good job in the following two aspects: 1. Enhance the internal vitality of enterprises. It is necessary to exert efforts to conduct enterprise internal reform, pay particular attention to cultivating the sense of market and competition, gear to the market needs, readjust product mix, rely on scientific and technological progress, and unceasingly develop new products that meet the domestic and foreign market needs. We should have a sense of looking ahead, pay attention to predicting the changes in the market, recognize the unfavorable factors under a favorable condition, be prepared for



danger in times of peace, and run enterprises conscientiously. 2. Create good external conditions for changing enterprise operational mechanism. Changing government functions and delegating powers to enterprises constitute one of the important links in establishing the socialist market economic system. Solving this issue is not easy. Departments dealing with comprehensive work and the management departments, including all committees and bureaus, should take the lead in changing concepts and ideas. It is necessary to cultivate an idea which is helpful to promote the market economy's development and an idea of service enterprises. Changing ideas will require a process. First, we must conscientiously study the 14th CPC Congress documents and enhance ideology and understanding. Second, we should go deeply to the reality to appraise the typical cases. Some enterprises reflected that it is hard for them to get any efficiency because when they want to manage a thing they have to go to many departments for official seals. We should pay attention to these kind of cases, conscientiously analyze them to find out where the problem lies and solve them as quickly as possible. And, 3. Listen to suggestions from the masses because they understand the actual conditions well and they have inexhaustible wisdom. Leaders at all levels should go deeply to the masses to learn the actual situation and to heed the truth because this can help them change concepts. There are many things which we are sure of success but we cannot carry them out. The main reason for this is that it is difficult to reach an identical view. Therefore, all departments and units should pay attention to the work of unifying thinking. When approaching an issue or handling something, we must proceed from doing things conducive to the establishment of the socialist market economic system, weigh the advantages and disadvantages, try it and do it boldly if we find the advantages are greater than the disadvantages, and unceasingly seek improvement and development in the course of doing it.

Tan Shaowen pointed out in conclusion: To implement the congress guidelines, the crucial issue involved is that leading cadres at all levels must have a good mental state and a good work style. He called on leading cadres at all levels to take the congress guidelines as an impetus, enhance spirit, make earnest efforts to carry out practical work, energetically encourage the practice of conducting investigations and studies, find new methods for solving problems, and realistically implement the guidelines of the 14th CPC Congress in places where needed.

Luo Yuanpeng, secretary general of the municipal party committee, and responsible comrades of the municipal party committee general office, the municipal party committee research office, and the municipal economic commission also attended yesterday's investigation and study activities.

### Northeast Region

#### Jilin Company Buys Helicopters From Russia

SK1811122092 Changchun JILIN RIBAO in Chinese  
26 Oct 92 p 1

[Text] A few days ago, the Changhai Industrial and Trade Corporation, under the Zhuhai office of the

Changchun city government, adopted the form of barter trade to make an aircraft deal with the Jewish Autonomous Region of the Russian Federation. This is the first aircraft deal made by our province with a foreign entity since the border areas to the outside world were opened.

This deal involves two Mi-8 helicopters, each with a seating capacity of 34 people. The helicopters were made by the former Soviet Union in the nineties. The Changchun city government plans to use these two helicopters to develop tourism. The helicopters were transported to the Tongjiang port of Jiamusi. Specialists from our side will inspect the aircraft in the next few days.

A signing ceremony was held in Changchun a few days ago. The Russian side expressed its willingness to continue making this kind of deal in the future. The two sides also decided that an exhibition of Changchun's products will be held in Birobijan in early December. This will open another trade space for our province's enterprises.

### Northwest Region

#### Gansu, Ningxia, Qinghai Plan Development Zone

OW1811113492 Beijing XINHUA Domestic Service in Chinese 0254 GMT 14 Nov 92

[Text] Beijing, 14 Nov (XINHUA)—To promote the establishment of a multinationality economic development zone on the Huang He's upper reaches, the leading comrades of Qinghai and Gansu Provinces and Ningxia Autonomous Region have formed a coordination group for the multinationality economic development zone on the upper reaches of the Huang He; the coordination group held its first meeting in Beijing recently. The meeting seriously studied and discussed such matters as the development zone's construction, cooperative projects, and economic and cultural exchanges with foreign countries. The meeting pointed out: It is necessary to seize the present opportunity to step up both internal and external coordination for the development zone, carry out reform to promote development, and strive for an early start of the development zone's construction.

The proposal on establishing a multinationality economic development zone on the Huang He's upper reaches was forwarded in 1988 by Fei Xiaotong, vice chairman of the National People's Congress Standing Committee and chairman of the central committee of the China Democratic League; and Qian Weichang, vice chairman of the China Democratic League Central Committee. The CPC Central Committee and State Council affirm and support their proposal. With guidance and assistance provided by the CPC Central Committee, the State Council, and the departments concerned, Qinghai, Gansu, and Ningxia have done a great deal of work in the last four years, bringing about a good trend for the start of the development zone.

Gansu Vice Governor Li Ping serves as head of the coordination group, while Zhang Guojie, Wu Zhengyun, and Lan Yupu serve as the deputy heads.

To give wide publicity to regions on the Huang He's upper reaches, the coordination group meeting decided that a book *Study on Regional Development Strategy—Upper Reaches of the Huang He* be jointly compiled by the China Democratic League Central Committee and the Qinghai, Gansu, and Ningxia authorities, with Fei Xiaotong and Qian Weichang as chief editors.

Feng Zhijun, vice chairman of the China Democratic League Central Committee, attended the meeting.

### **Qinghai Governor Discusses Family Planning**

HK1811034892 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 12 Nov 92

[Text] The provincial government held a telephone conference on family planning work yesterday afternoon to report on the current population situation and, in accordance with the demands raised at the 14th party congress and the national telephone conference on family planning work, arrange the province's family planning work for the this coming winter and spring.

(Gao Chaoqin), deputy secretary general of the provincial government, presided over the telephone conference. (Song Yafang), head of the provincial family planning commission, briefed everyone on the current population situation. According to the family planning department's statistics, in the first half of this year, the province's population target and various targets for family planning work basically reached the level of last year; however, the number of women of child-bearing age and the number of married women of child-bearing age increased over the same period last year. The late marriage ratio was 44.8 percent, and the early marriage rate was 10.29 percent. The numbers of births in the mountainous areas—Xining City, Haibei Autonomous Prefecture, Hainan Autonomous Prefecture, and Golog Autonomous Prefecture—all increased when compared with the same period of last year. The numbers of births in Haidong Prefecture, Huangnan Autonomous Prefecture, Yushu Autonomous Prefecture, and Haixi Autonomous Prefecture decreased slightly when compared

with the same period last year. With regards to the family planning ratio, except for a 0.32 percent decrease in Xining city, all other prefectures and autonomous prefectures experienced increases. With regards to the ratio of excess children, except for Haidong and Hainan where there were decreases, all other autonomous prefectures and cities experienced slight increases.

Governor Jin Jipeng spoke at the teleconference. He said that the number of women of child-bearing age in our province this year, like that of the whole country, reached an all-time high; it is the third peak of births. At present, the development of family planning work in various localities in the province is unbalanced. While some localities are attaching importance to economic construction, they have begun to neglect or weaken family planning work. In the first half of this year, some localities failed to hit the planned targets.

Governor Jin Jipeng demanded that party committees and governments at various levels put family planning work in as important a position as economic work, that various localities increase expenditure on family planning work every year, and that, at present, localities with financial difficulties should at least maintain last year's level and not reduce spending. He also said that, last year, for the first time, we had practiced a provincewide systematic assessment of responsibilities for the management of population and family planning goals. By the end of this year, the provincial government will use random sampling to examine responsibilities and goals. By that time the government will use a tracking method to give awards and punishments; that is, those who should receive awards will receive them even if they are transferred to other posts, and those who should receive punishment will receive it even if they are transferred to other posts. Finally, Governor Jin Jipeng stressed that to maintain a sober mind under the current conditions of heavy-duty economic construction, it is necessary to accomplish yearly population targets, strive to decrease the birth rate beyond that planned and the rate of multiple births, and increase the birth-control rate and the family-planning rate.

At the teleconference, (Ye Jinwu), vice governor of Huangzhong County, and (Qi Yixiong), vice governor of Gonghe County, also gave speeches.

**Official: Mirage Fighters for 'Defense' Purposes***OW1911082392 Taipei CNA in English 0740 GMT 19 Nov 92*

[Text] Taipei, Nov. 19 (CNA)—The Republic of China [ROC] will use Mirage 2000-5s purely for defense purpose if it purchases the jet fighters from France, a ranking government official said Wednesday.

The official, who required anonymity, told CNA: "With better (military) aircraft, we will be more capable of defending ourselves."

He made the statement a day after the U.S. Government reiterated its objection to the jet deal in response to reports that Taipei would soon sign an agreement with Paris to buy 60 Mirage 2000-5s.

U.S. State Department Spokesman Richard Boucher told reporters Tuesday that there is no need for Taipei to purchase the French-made jet fighters, adding that "the United States was interested in seeing that Taiwan obtained only defensive weapons, such as the (U.S.-made) F-16."

Taipei signed with Washington earlier this month a letter of offer and acceptance to buy 150 F-16 A/B jet fighters from the United States.

Citing the military procedure of not discussing arms sales, the Ministry of National Defense declined Wednesday to comment on the reported deal with France. The General Headquarters of the ROC Air Force also kept silence on the matter.

The ranking official, too, refused to disclose if the Mirage deal is finalized or nearing conclusion, but he apparently disagreed with the U.S. position that the 160 F-16s would be enough to defend the Republic of China on Taiwan.

The F-16s and, if an agreement is reached with France, the Mirage 2000-5s will replace the outdated F-104 and F-5 fighters of the ROC Air Force, he said. The Air Force's fleet will not be expanded even with the French-made fighters.

Moreover, the official stressed, it is important for the country to diversify its sources of weapons if it wants to secure its defense capability.

"We have no reason to give up the Mirage simply because the United States has agreed to sell us the F-16," he said.

**U.S. Sees 'No Need' for Fighters***OW1811150792 Taipei CNA in English 1440 GMT 18 Nov 92*

[Text] Washington, Nov. 17 (CNA)—US State Department Spokesman Richard Boucher indicated Tuesday that there is no need for Taiwan to purchase Mirage 2000-5 jet fighters.

Boucher made the indication at a regular press briefing when asked to comment on reports that French sources were confirming that Taiwan will sign an agreement with France to purchase 60 French made Mirage [words indistinct], worth US\$8.8 billion.

"We don't normally react to unnamed sources. We have, in fact,—on the prospective sale of Mirage does not really offered any direct comment. [sentence as received] Our view is that the sale on the F-16s should take care of Taiwan's defensive needs. That remains our position," Boucher said.

This was the third time a Bush administration official had responded publicly to the planned Mirage sale.

On Sept. 9, Walter Kansteiner, White House deputy press secretary for foreign affairs, told reporters at a news briefing that the Mirage was a offensive weapon, and that the United States was interested in seeing that Taiwan obtained only defensive weapons, such as the F-16.

On Oct. 13, Lt. Col. Kerry Gershaneck, Pentagon spokesman, told the weekly DEFENSE NEWS in an interview that the sale of 150 F-16 A/B aircraft to Taiwan would satisfy its air defense requirements well into the next decade.

**Mirage Contract Reportedly Signed***OW1911095992 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 18 Nov 92*

[From the "Hookup" program]

[Text] According to sources, our country has already signed a contract with France on purchasing 60 Mirage-2000 fighters worth \$2.6 billion. In addition to fighters, the contract also includes the purchase of missiles.

Both the Defense Ministry spokesman and Air Force headquarters refused to comment. It is understood that the Mirage purchase contract was signed at Air Force headquarters in Taipei yesterday afternoon. The Air Force commander in chief signed the contract on behalf of the Defense Ministry.

The relevant department refused to comment on whether the contract signed yesterday is a technical contract, letter of intent, or formal contract. Notwithstanding, military officials concerned indicated that the purchase would be conducted according to the [words indistinct] formula—that is, although the contract has been signed and the manufacturing of the planes is under way, the purchase will not be confirmed until after delivery of the fighters.



**Board Welcomes U.S. Overturning Dumping Tariffs**

*OW1911084892 Taipei CNA in English 0807 GMT 19 Nov 92*

[Text] Taipei, Nov. 19 (CNA)—The Board of Foreign Trade [BOFT] expressed welcome to U.S. International Trade Commission's [ITC] decision to overturn claims that Taiwan dumps man-made fiber sweater in the United States.

ITC's decision would result in the scrapping of 21.38 percent anti-dumping tariffs on Taiwan's man-made fiber sweater imposed in 1990.

BOFT officials said that the anti-dumping tariffs has undercut competitive edge of Taiwan's man-made sweater in the U.S., making it unable to compete with Korean and Hong Kong products.

**Hong Kong Meeting on Economics Not 'Politics'**

*OW1911084992 Taipei CNA in English 0801 GMT 19 Nov 92*

[Text] Taipei, Nov. 19 (CNA)—A ranking official said Thursday that Hsu Sheng-fa's meeting with Hong Kong Governor Christopher Patten earlier this month had nothing to do with politics.

Hsu, chairman of the Chinese National Federation of Industries, met Patten just to discuss economic matters, said Huang Kun-hui, chairman of the Mainland Affairs Council.

The Hong Kong governor was willing to break a four-decade taboo because trade and economic ties between Hong Kong and Taiwan have become very close, Huang added.

Peking has blasted Patten for "seeking alliance with Taiwan" to intervene in Hong Kong politics. Peking-controlled media went as far as suspecting that the two were joining hands to promote "Hong Kong independence."

Peking's anger was provoked, in part, by the fact that Hsu is also a member of the Kuomintang's powerful Central Standing Committee.

The Hsu-Patten meeting is an indication that civilian cooperation between Hong Kong and Taiwan has produced good results and won the Hong Kong Government's attention, Huang noted.

Hsu's federation formed economic and trade cooperation councils with Hong Kong's general chamber of commerce in March this year.

In May, Hsu's Hong Kong counterpart visited Taiwan and was received by Premier Hao Po-tsun.

**German Minister in Economic Cooperation Talks**

*LD1811204192 Hamburg DPA in German 1443 GMT 18 Nov 92*

[Excerpts] Taipei (DPA)—Germany and Taiwan want closer economic cooperation. This was agreed by Economics Minister Juergen Moellemann and Taiwan Economics Minister Vincent Hsiao in Taipei today. Trade relations with the People's Republic [of China] are also to be improved.

This is the first official visit by a German federal to the economically strong island state, with which Bonn has no diplomatic relations out of consideration for the PRC. There are to be regular contacts between the two states' economics ministers in the future.

Hsiao proposed a "strategic alliance" between German and Taiwanese industry to Moellemann and German industry. Moellemann says this will also involve joint ventures on the European and Asian markets, including in Japan. The founding of a commission at the level of economic associations has been agreed to expand cooperation in private industry.

Hsiao welcomed the interest shown by German industry in orders from the six-year Taiwanese structural program for the modernization of the economy and infrastructure, which involves a total of \$300 billion (over 500 billion marks). [passage omitted]

It was also planned to start direct airline schedules between Germany and Taiwan as soon as possible to improve business relations. [passage omitted]

After his day of talks with the Taiwan Government, Moellemann flew to Tokyo this evening for a two-day visit.

**Scandinavian Officials Visiting Taipei**

*OW1911085592 Taipei CNA in English 0812 GMT 19 Nov 92*

[Text] Taipei, Nov. 19 (CNA)— Bjorn Frode Ostern, director general of bilateral trade in Norwegian Foreign Ministry, arrived here Wednesday for a four-day visit.

Ostern is heading a 13-member delegation to discuss fishery cooperation with officials here. He will also exchange views with his counterparts here on upgrading Norwegian Trade Office Taipei.

Norway is the fourth largest fishing country in the world; many Taiwan fishing boats are now operating in the fishing ground near Norway.

Meanwhile, Vice Economics Minister P. K. Chiang said that following the step of Ostern, other ranking officials of Scandinavian countries are also on the way.

Chiang said that trade between the ROC [Republic of China] and geographically remote Scandinavian countries has traditionally been thin, but after the visit of Hsu

Ke-sheng, director general of the Board of the Foreign Trade, to the Scandinavian countries last year, they began to seek business opportunities in Taiwan.

He said that Sweden has upgraded its trade office to semi-official level early this year, setting a good example for other Scandinavian countries to follow.

Perejon Johansson [name as received], vice transportation minister of Sweden, will lead a delegation to take part in the Sino-Swedish economic cooperation meeting on Nov. 30.

Ranking officials of Denmark and Finland also visited the ROC in March this year.

Chiang said that his ministry will consult with Scandinavian counterparts on removing the tariff and non-tariff barriers between the ROC and the four countries.

### **Premier Orders Overall Ban on Use of Rhino Horns**

*OW1911083192 Taipei CNA in English 0745 GMT 19 Nov 92*

[Text] Taipei, Nov. 19 (CNA)—Premier Hao Po-tsun ordered an overall ban Thursday on the use of powdered rhinoceros horns in Chinese medical prescriptions.

The Council of Agriculture (OCA) immediately announced that beginning Thursday, it will stop issuing permits for importing and trading rhino horns.

The tough measure came after three wildlife conservation groups charged Taiwan with failing to protect the rare species.

In London, the three private organizations called for an international boycott of Taiwan products in retaliation.

During a cabinet meeting, Hao demanded responsible government agencies to enforce the ban.

National Health Administration [NHA] Director General Chang Po-ya said the government had issued a ban on the use of rhino horns in 1989.

But because rhino horn powder is not a poisonous substance, the government cannot enforce the ban completely, she added.

To show the government's determination in protecting the rare animal, the NHA will announce a complete ban on the use of rhino horns in Chinese medicine prescriptions, Chang said.

COA officials said they will thoroughly implement the "Wildlife Protection Law," under which violators will be sentenced to one year in prison and fined a maximum of NT [New Taiwan] \$10,000.

The officials said they will revise the law to make it more stringent. For instance, they said, fines will be increased to between five and 10 times of the market price of the banned good.

They believed heavy fines will effectively eliminate trading of rhino horns since it will no longer be profitable.

### **UK Group Backs Conservation Efforts**

*OW1911082992 Taipei CNA in English 0733 GMT 19 Nov 92*

[Text] Taipei, Nov. 19 (CNA)—The British conservation organization whose investigation report on rhino horns was used by three similar bodies to blast Taiwan has agreed to stand up for the Republic of China [ROC], a ranking agricultural official said Thursday.

Lin Shiang-nung, vice chairman of the Council of Agriculture, said he received a letter Wednesday from the Cambridge-Based TRAFFIC (Trade Record Analysis of Flora and Fauna in Commerce) Foundation.

The foundation, Lin said, was positive toward Taiwan's efforts in recent years in the protection of endangered species, including rhinos.

The Environmental Investigation Agency (EIA), a radical British conservationist body, together with two other wildlife protection organizations of the United States, broadcast a TV commercial in Britain earlier this week.

The EIA, citing a survey done by the TRAFFIC Foundation two years ago on the circulation of rhino horns here, strongly condemned Taiwan for stockpiling and trading rhino horns. It also called for a worldwide boycott of Taiwan-made goods until the practice has been stopped.

In the letter the foundation pointed out that "they (EIA) don't acknowledge the progress made by Taiwan on the control of rhino trading.... It is a clear and positive way to distinguish Taiwan from other countries."

Lin said the foundation will hold a press conference in London today to clarify what Taiwan has done in wildlife conservation in recent years.

The foundation opened an office in Taipei last October.

### **Mainland Urged To Renounce Reunification by Force**

*OW1911114392 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 15 Nov 92*

[By BCC reporter Lin Shu-hua; from the "Hookup" program]

[Excerpt] Addressing a symposium discussing the Chinese Communist authorities' political and economic trends following their 14th congress and the countermeasures which the Republic of China [ROC] should take, Huang Kun-hui, chairman of the Executive Yuan Mainland Affairs Council [MAC], reiterated yesterday that the ROC's [Republic of China] mainland policy is forward-looking, pragmatic, active, and stable. He called on the Chinese Communist authorities to renounce the

measure of achieving reunification through force and to act in the people's interests. BCC reporter Lin Shu-hua's reports:

[Begin Lin recording] The three-day symposium, sponsored by the Center of National Policies and the MAC, to discuss the Chinese Communist authorities' political and economic trends following their 14th congress and ROC countermeasures, took place at Taiwan Normal University in Taipei. Scholars and experts attending the symposium included Yen Chia-chi, director of the Democratic China Front; Chen Chi-nan, [word indistinct] professor of the Chinese University in Hong Kong; Wu An-chia, research fellow and chairman of the Chengchi University International Relations Center Mainland China Affairs Group; and others. After three days of discussion, the scholars and experts have reached a common understanding on certain issues, such as:

1) Efforts should be made to eliminate the difference of understanding between the two sides of the strait about the definition of one China; and the ROC Government must keep reiterating that China's reunification must be gradually achieved on the basis of the principles prescribed in the Outlines of National Reunification.

They said that this requires a very long transition period and, when the time is ripe, problems must be resolved through negotiations [words indistinct] and cannot be rushed.

2) The idea of one country, two systems is a subjective concept of the Chinese Communist authorities.

The scholars urged the government to take advantage of the economic, trade, and social exchanges between the two sides of the strait to dilute the wishful thinking of the mainland's political and party leaders toward Taiwan. [words indistinct] scholars maintained that, as far as Mainland China is concerned, Taiwan is an example of democracy and freedom. Yen Chia-chi indicated that the Chinese Communist authorities are trying to (?digest) Taiwan in a peaceful manner. He said reunification of a totalitarian mainland and a democratizing Taiwan is impossible and unnecessary, unless the mainland renounces its one party dictatorship.

Finally, scholars urged the government to assess the impact of Taiwan businessmen's excessive dependence on the mainland [words indistinct]

Speaking at the symposium's closing session, MAC Chairman Huang Kun-hui cited the example of the negotiations conducted in Hong Kong in October between the Foundation for Exchange Across the Taiwan Strait [FEAT] and the Association for Relations Across the Taiwan Strait [ARATS] on document authentication; and asked the Chinese Communist authorities to heed the interests of people on the two sides of the strait and to sincerely deal with issues. [passage omitted]

#### Mainland Prediction on Indirect Trade Cited

OW1911084292 Taipei CNA in English 0757 GMT 19 Nov 92

[Text] Taipei, Nov. 19 (CNA)—Indirect trade across the Taiwan straits could hit a new record of US\$8 billion this year, a senior newsman from the China mainland said here Wednesday.

Zhu Youjun, director of the Beijing-based China News Service [ZHONGGUO XINWEN SHE], made the prediction at a seminar on "Cross-Strait Economic and Trade Relations in Transition" sponsored by a local daily, the CHINA TIMES [CHUNG KUO SHIH PAO].

Tallies show that indirect trade between Taiwan and the mainland amounted to US\$4.67 billion in the first eight months of this year, a whopping 33 percent growth from a year before. Judging from the rapid rising trend, Zhu said, bi-coastal trade could top US\$8 billion this year.

Citing mainland statistics, he further reported that approved Taiwan-invested projects totaled 1,702 in the first half of this year, with the investments reaching US\$1.32 billion. The figures represented a respective 152 percent and 210 percent gain from year-earlier levels, he said.

In aggregate, he pointed out, so far indirect investments made by Taiwan manufacturers on the mainland amounted to US\$4 billion in more than 5,000 projects.

Asked to comment on Zhu's report, Vice Economic Affairs Minister P. K. Chiang said the data are quite reliable, though registration with the economics ministry put the mainland investments at only US\$800 million.

Chiang noted that under the current government strategy to promote economic liberalization, it is almost impossible to advise domestic investors not to make inroads into the mainland.

In the face of "overheated" trade ties between the two sides of the straits, the vice minister stressed, what the government can do is to improve investment climate here, thereby making Taiwan enterprises keep root domestically.

Also reporting at the seminar, a mainland economics scholar said that the aggregate foreign trade of Taiwan, Mainland China, and Hong Kong ranked the world's fourth largest.

Tong Dalin, vice chairman of Beijing's Economic Reform and Research Association, reported that exports of the three areas accounted for seven percent of the global market last year, lower than the United States' 12 percent, Germany's 11.4 percent, and Japan's 8.9 percent.

Imports made up 6.2 percent of the world volume,



trailing behind the United States' 13.9 percent, Germany's 10.7 percent, and Japan's 6.5 percent, he added.

Tong suggested that the two sides of the straits join hands to engage in in-depth, large-scale, and efficient cooperation in saying working toward a Chinese century has been a common goal of both sides.

Comparing economic conditions between the two sides, Hsueh [words indistinct], chairman of the Economics Department of National Taiwan University, opined that Taiwan boasts an equal distribution of income in the process of rapid economic development while the mainland is suffering from the widening gap of wealth.

He cited the gap of per capita's farm production among different provinces, which run as high as four times, as solid evidence of the mainland problem.

Kao Chang, a department chief of the government-funded Chunghua Institute for Economic Research, pointed out that political factors are still the barriers to economic cooperation between the two sides.

Political confrontation will offset the positive effects of the increased economic exchanges across the straits, he said.

Nine mainland economists came here Nov. 18 to attend the two-day seminar, which opened Wednesday.

## Hong Kong

### Mainland Papers Criticize Governor's Actions

#### Said 'Begging' for Foreign Help

HK1911123792 Hong Kong TA KUNG PAO in Chinese  
19 Nov 92 p 2

[Editorial: "What Is the Use of Begging for Several Bits of 'Statements'?"]

[Text] In the last few days, Chris Patten has managed to get two or three bits of "statements" from the international community. How complacent he has been!

It can be said with conviction that this is utterly worthless. It will be of no help to Patten. It will never do not to consult and cooperate with the Chinese side in handling Hong Kong's major affairs.

The Sino-British Joint Declaration clearly states: "During the transitional period between the effective date of Joint Declaration and 30 June 1997, the UK Government will be responsible for the administration of Hong Kong with the objective of maintaining and preserving its economic prosperity and social stability; and that the PRC Government will give its cooperation in this connection." In handling Hong Kong's major affairs during the transitional period, the British side must consult and cooperate with the Chinese side. Contrary to this, in planning to make a major change in Hong Kong's political system, he begged the international community for support instead of consulting the Chinese side. This move is not only contrary to the Sino-British Joint Declaration's spirit but also a violation of the norms of international law and, therefore, it is impermissible.

No government head in the world who has reason and some sense of justice, will support Patten's derailing [bu gui 0008 6510] behavior. Hong Kong is China's territory. Britain will hand it over to the PRC in four years or so. Handling Hong Kong's affairs before 1 July 1997 is a matter between China and Britain and, after that date, it will be China's domestic affair. How can other countries meddle and interfere in these affairs? How can they support him when Patten is repeatedly challenging China? As Patten's constitutional package is a violation of the norms of international law and a negation and arbitrary distortion of the solemn statements, agreements, and understandings signed and reached by China and Britain, how can a responsible country support this disruptive move? How can it connive with the move of arbitrarily trampling on the norms of international law?

Through his lobbying efforts, Patten did get two or three bits of "statements" in support. This kind of thing is of no use and will not frighten the Chinese Government nor influence compatriots in Hong Kong. After the 4 June event, the Western world in turn imposed sanctions against China. Was the resulting pressure not heavy? But what were the results? Not only did China not crash but,

on the contrary, things became better for her. Certain people who frightened and intimidated others landed in a predicament. Today, Patten is attempting to intimidate China and force the Chinese side to accept his "three violations" package by the help of international forces. He really does not know his own limits. The Chinese side will completely ignore that move by Patten and the Hong Kong people will not buy it. People with breadth of vision in the countries which issued statements in support of Patten will also not support his package. Let us keep other countries aside and take British MP Robert Adley for example. He said: "Hong Kong's fate is always determined by China in the end." He warned "persons responsible for Hong Kong's affairs" that "Hong Kong is part of China's territory. China and Britain have made a unanimous decision on Hong Kong's future. China will not allow anyone to nullify the signed agreements." He told Mr. Patten: "There is no way to persuade and pressure China to compromise on the issue of its sovereignty." This is the voice of justice.

To peddle his constitutional package, Patten has used all sorts of calculations and intrigues, as one could well say. He has played "the opinion card," "the democracy card," and then "the international card." However, none of these will save him. His current overseas tour has given away more clearly his evil intentions. Did he not say that he was going to "consult" China on his "proposal?" What "proposal?" Is there really such a "proposal" which begs for other countries' support before being discussed? What "consultation?" Is there really such a "consultation" which other people are forced to accept by the help of international forces? Patten is so hypocritical because he is very timid. How can Patten, who is a defeated politician and a colonial ruler who has a "lifespan" of just four years or so, not really feel timid, when he confronts the several million Hong Kong people and China with a population of 1 billion people or more to achieve his ulterior motives? When more and more people have seen through what is behind his proposal and the support he received is thinning out, he has to embolden himself by relying on outside forces and get along by frightening people. Nevertheless, all these are futile and unreliable efforts. There is only one choice for Patten to make: honestly scrap your proposal and return to the orbit of upholding the Sino-British Joint Declaration and converging with the Basic Law.

#### Editorial Demands 'Convergence'

HK1911101492 Hong Kong WEN WEI PO in Chinese  
18 Nov 92 p 2

[Editorial: "The Hong Kong People Demand Convergence With the Basic Law"]

[Text] Hong Kong now faces two choices for its future during its latter transitional period. One is pursuing the confrontation policy formulated by Chris Patten by refusing to converge with the Basic Law; abandoning the Sino-British consultative, cooperative, and mutual-trust

relations established for Hong Kong's smooth transition according to Annex II [Roman two] of the Sino-British Joint Declaration; and by allowing Chris Patten to act arbitrarily and introduce constitutional reform unilaterally, which could ruin Hong Kong's prosperity and stability and cause drastic deterioration and confrontation among the Hong Kong people. The other is that the Hong Kong people will unite and ask the British side to implement the Joint Declaration to the letter, to pursue a policy which leads to a steady transition and converges with the Basic Law, and, through close and cooperative consultations between China and Britain, fulfill the understanding and agreement on constitutional convergence already concluded between the two countries, so that the Hong Kong people will live and work in contentment.

Britain has always left trouble when withdrawing from its colonies. The Palestinian war has continued for 47 years; the democracy of separate administration over India and Pakistan resulted in a bloodbath for the Indians and Pakistanis; and Chinese in Malaysia were burned, killed, and plundered under the bayonet of "democracy" during racial riots.

Most Hong Kong people regard Hong Kong as their home. As long as Hong Kong people unite, sharpen their vigilance, differentiate between right and wrong, and clearly understand the situation, they can surely control Hong Kong's destiny, ensure its steady transition, and crush Chris Patten's attempt to use the Hong Kong people's interests as gambling chips.

Hong Kong is an economic city wherein Chinese live. The Hong Kong Chinese have Chinese culture, Chinese national feelings, and blood relations with the mainland. The Western constitutional system does not conform with Hong Kong conditions. Since Britain signed the Joint Declaration and promised to return Hong Kong to China, it is responsible for implementing the Joint Declaration. Because Chris Patten's constitutional package wantonly violates the Joint Declaration, it is a matter of course that China criticizes and opposes it.

The Basic Law was formulated according to Joint Declaration provisions. Its central issue is to implement the principle of "one country, two systems." One country means one China. Two systems should be developed on the basis of recognizing Chinese sovereignty and law. But Chris Patten is attempting to form an "independent" or "semi-independent," pro-British, anti-Chinese government in the coming four and a half years, which actually means the continuation of British colonial rule. Since his arrival in Hong Kong, Chris Patten has never talked about converging with the Basic Law but has instead torn up the commitments and agreements on constitutional convergence expressed in the seven letters between the Chinese and British foreign ministers. Moreover, he has used pressure to adopt McGregor's motion at the Legislative Council [Legco]—a motion which vetoes Legislative Councilor Chim Pui-chung's revision proposal to converge with the Basic Law. Essentially speaking, this is

ruling out convergence with the Basic Law. Pro-British, anti-Chinese elements in the Legco flagrantly advocated "not converging with the Basic Law" and wantonly attacked the Basic Law. All this occurred with the connivance of Chris Patten and Hong Kong Government officials. This exposes the deceptive remarks of the British prime minister and foreign minister, who said that they would abide by the Joint Declaration and the Basic Law and evolve the "one country, two systems" formula.

Chris Patten's constitutional reform package includes pro-British, anti-Chinese elements in the policymaking center. The one-vote, one-seat electoral program is aimed at supporting them in controlling the Legco, whereas all other political groups will be excluded. Direct elections of district boards are aimed at maintaining their party's current superiority. The elections of functional constituencies have also excluded people from industrial and commercial circles and professionals. They do not talk about constituencies but only direct elections. The separation of the two councils and the introduction of the committee system are aimed at turning the executive-led structure into a legislative-led structure, thus making it difficult to put the Basic Law into effect. Lee Chu-ming and the likes have negated the Basic Law and their pro-British, anti-Chinese attitude is known to all. At the Legco, they defend those who belong to their faction and attack those who do not and this is obvious for all to see. This political development in Hong Kong runs counter to the Basic Law principle of giving expression to sovereignty, making gradual and orderly progress, and equal participation. The interests of other strata will be harmed and affected and it will be difficult to implement Hong Kong's low tax policy or its policy of keeping expenditure within the limits of revenue. The government will find it difficult to operate efficiently. Hong Kong will no longer be a community where people from different strata harmoniously gather or coordinate and consult with each other and there will be no guarantee for its political stability.

Therefore, many political figures from the Legco, urban councils, and district boards, as well as people from industrial and commercial circles, have stood out to oppose Chris Patten's constitutional reform package and his policy of nonconvergence. During a visit to Britain, some political figures pointed out that, in 1990, the then British prime minister persuaded them to face up to the reality and to converge with the Basic Law. Why has Britain turned 180 degrees on the Hong Kong question?

This is where the crux of the problem lies. Britain has pursued a policy of nonconvergence and cast away the Joint Declaration, the Memorandum of Understanding on the new airport, and its commitments to cooperate with China expressed in the seven letters between the Chinese and British foreign ministers. It has become perfidious. This has affected the steady transition of the constitutional system and has also ruined the Sino-British effective cooperative mechanism and relations. In the last eight years, China and Britain had maintained



cooperation and mutual trust. They had resolved the continuation of government servants' retirement program, the approval of land sales, Hong Kong's entry into GATT and its participation in international treaties, Hong Kong people's travel documents, the localization of law, and the organization of the International Criminal Police. During his 100-day stay in Hong Kong, Chris Patten has changed the policy of friendly consultations. His "proposal" for constitutional reform is a fixed case which cannot be altered at all and is a declaration which willfully opposes convergence. His challenge to Sino-British cooperation has brought to a deadlock the new airport project, the aviation issue, the sales of government apartments, contracts for patented business, and all other issues which transcend 1997. People in political, industrial, and commercial circles favor convergence because they understand that post-1997 operations after the latter transitional period need Sino-British cooperation.

Personalities in the community pointed out: The Hong Kong governor's unilateral decision on matters straddling 1997 without consultation, cooperation, or trustworthiness will not work and lacks knowledge. The Hong Kong people's appeal for convergence and a smooth transition is becoming stronger and stronger and Chris Patten will become more and more isolated.

#### **Law Drafter Warns Against Reforms**

HK1811120092 Hong Kong LIAOWANG OVERSEAS  
EDITION in Chinese No 46, 16 Nov 92 pp 21-22

[Report on interview with Xu Chongde (6079 1504 1795), professor at the Chinese People's University and former member of the Hong Kong Basic Law Drafting Committee, by staff reporter Han Wuyan (7281 5294 3601); place and date not given: "Beware of the Conspiracies of Colonialists Before They Retreat"]

[Text] The section on "political structural reforms" in Hong Kong Governor Chris Patten's policy address naturally met with criticism from the people of Hong Kong and China, because it obviously contravenes the spirit of the Sino-British Joint Declaration, violates the promise that the development of Hong Kong's political structure will converge with Hong Kong's Basic Law, and contradicts the relevant mutual understandings that China and Britain had reached between them.

This viewpoint has been expressed by Xu Chongde, member of the former Hong Kong Basic Law Drafting Committee, in an interview with our staff reporter. As a member of the former drafting committee, this professor from the Chinese People's University expressed the wish that Chris Patten would return to the track of consulting with the Chinese side so that the political structural reforms could converge with the Basic Law during the late transitional stage.

#### **Chris Patten's "Constitutional Package" Violates International Moral Justice**

Xu Chongde said: According to the spirit of the Sino-British Joint Declaration and the mutual understandings on the transitional period which China and Britain have reached in the past few years, it is better not to make major changes to Hong Kong's current political structure. One of the reasons is that less than five years are left in the transitional period. The second reason is that the Hong Kong people all wish and strive to maintain Hong Kong's stability. If major changes were made to the political structure now, it would definitely cause a shock to Hong Kong society. This is not in tune with the wish for Hong Kong's sustained stability and prosperity expressed by both China and Hong Kong.

Professor Xu Chongde said: Hong Kong is still governed by Britain through its appointed Hong Kong governor but, because China will resume its sovereignty over Hong Kong in 1997, Britain must consult the Chinese side and wait until a consensus is reached between the two parties before it makes any major changes to Hong Kong's political structure now. But this time, Hong Kong Governor Chris Patten, without consulting the Chinese side, unilaterally proposed a series of major changes to Hong Kong's political structure. He even said afterward that he would go ahead with or without China's consent. It is indeed shocking to see how he has persisted in having his own way. This act, contravening the Sino-British Joint Declaration and violating the mutual understandings between China and Britain, is contrary to international moral justice.

#### **Hong Kong Basic Law Admits of No Contravention**

Xu Chongde was a member of the former Hong Kong Basic Law Drafting Committee political structure panel and is thoroughly conversant with the entire process of debate over all the articles contained in the chapter on political structure and eventually arriving at a consensus in the course of drafting the Basic Law.

He said: Formulating the Hong Kong Basic Law was aimed at Hong Kong's smooth transition. The heaviest controversy occurred over the chapter on political structure and, because it generated the most controversy, fullest efforts were made to solicit opinions and conduct consultations on this matter. For instance, some Hong Kong people proposed that it would be ideal if the last Hong Kong Legislative Council [Legco] produced in 1995 would directly become the first Legco of the Hong Kong Special Administrative Region [SAR]. This idea is also known as the "through train" concept. The Chinese Government accepted this concept. To ensure smooth and untroubled transition, the Third Session of the Seventh People's Congress adopted a document which provided that: The first Hong Kong SAR Legco shall be composed of 60 members, with 20 members returned by geographical constituencies through direct elections, 10 members returned by an election committee, and 30 members returned by functional constituencies. If the

composition of the last Hong Kong Legco before the Hong Kong SAR's establishment conforms with the relevant provisions of this Decision and the Basic Law of the Hong Kong SAR, those of its members who uphold the Basic Law of the Hong Kong SAR of the PRC and pledge allegiance to the Hong Kong SAR of the PRC and who meet the requirements set out in the SAR Basic Law may, upon confirmation by the Hong Kong SAR Preparatory Committee, become members of the SAR's first Legco.

Xu Chongde recalled that during the consultations, the appropriate proportion of the Legco members returned by geographical constituencies through direct elections remained a subject of controversy for ages. In the end, China and Britain, considering the wishes of most Hong Kong people, reached a tacit understanding [mo qi 7817 1148] and decided that it should be 20. This, and only this, is the wish of most Hong Kong people and a mutual understanding between China and Britain. What position is Chris Patten in to reverse this unequivocal stipulation at his own will?

Xu Chongde continued: I would like to cite another example to show that in formulating the Hong Kong Basic Law, Hong Kong people's opinions were fully accommodated. For instance, Article 67 of the Basic Law reads: The Hong Kong SAR Legco shall be composed of Chinese citizens who are permanent residents of the region without the right of abode in any foreign country. However, permanent residents of the region who are not of Chinese nationality, or who have the right of abode in foreign countries, may also be elected members of the Legco provided that the proportion of such members does not exceed 20 percent of the total Legco membership. The first sentence is about the principle and the second shows flexibility. Since Hong Kong is an international city and the Legco should be broadly representative, permanent residents of the region who are not of Chinese nationality or who have the right of abode in foreign countries are also allowed to become Legco members. The ceiling for the proportion they can take up in Legco was originally set at 15 percent but later expanded to 20 percent after Hong Kong people's opinions were taken into account. This shows that the Hong Kong Basic Law fully embodies the Hong Kong people's wishes. This very point was acknowledged and appreciated by the British Government at that time.

Professor Xu said: The Hong Kong Basic Law's drafting took four years and eight months. Consultations were conducted at various levels to solicit opinions from Hong Kong and mainland people before the draft was completed and the Basic Law was adopted at the Third Session of the Seventh National People's Congress on 4 April 1990. The Hong Kong Basic Law is a crystallization of the wisdom of the whole population of Hong Kong and the mainland and a sacred legal document. Any violation, distortion, or misrepresentation of the Basic Law will never be tolerated.

#### **Hong Kong's Political Development Must Converge With the Hong Kong Basic Law**

Xu Chongde said: Obviously, by forwarding his policy address, and later stubbornly clinging to the so-called "proposals" in his address during his visit in Beijing, Chris Patten has provoked dispute and confrontation. China believes that because it involves the cardinal issue of whether or not the Sino-British Joint Declaration and the Hong Kong Basic Law should continue to be upheld, China will have to oblige him and carry the dispute through to the end.

This jurist, who has been studying the Hong Kong issue over the past few years, said: Since China and Britain signed the Joint Declaration and Hong Kong entered the transitional period, the two countries have basically been able to cooperate with and consult each other in a friendly way. This is the key to Hong Kong's smooth transition and untroubled development. Should confrontations arise between China and Britain, it stands to reason that the consequences will be quite serious. The Chinese Government has always stood for friendly cooperation. The problem now is: We are willing to cooperate but Chris Patten has stirred up a confrontation. The Chinese side is not to blame. The kind of cooperation we refer to must have a foundation, namely, the Sino-British Joint Declaration, the Hong Kong Basic Law, and the relevant mutual understandings between China and Britain. We cannot tear up these documents and deviate from these agreements simply to receive in return the so-called "cooperation" demanded by Chris Patten.

Xu Chongde said: As is well known, the two previous Hong Kong governors were basically inclined to consult. However the incumbent Governor Chris Patten has been acting willfully in total disregard of the cooperative relations established between China and Britain and the international liability of the British Government. We were very unwilling to see this dispute, provoked by him, happen but, now that it has happened, we cannot but choose to oblige him to the end.

According to Chris Patten's "constitutional package," Hong Kong's political structure has to undergo a series of major changes within a few years. This will cause a big shock to Hong Kong society. All the serious consequences so caused will have to be borne by Chris Patten alone. After 1997, we will naturally not yield to a fait accompli presented by Chris Patten because, if we acknowledged his proposals, we would be contradicting the Hong Kong Basic Law. To handle affairs in accordance with the Hong Kong Basic Law, we will have to set to right what has been distorted by Chris Patten. For this reason, we will have to go our own way.

#### **Beware of the Conspiracies of Colonialists Before They Retreat**

Xu Chongde continued: Chris Patten never tires of talking about broadening democracy and accelerating the pace of democratization. This is but a pretty piece of clothing and a fine-sounding slogan. Let us consider this:

The British have ruled Hong Kong for over 100 years. Has there been a single day of democracy? But, when there is just less than five years left before Hong Kong's sovereignty is returned to China, he starts talking at length about broadening democracy and accelerating the pace of democratization. This perfectly fits the old Chinese proverb: "Sima Zhao's ill intent is known to all."

It is well known that Britain is an old-line colonialist country. Historically, whenever it started to retreat from its occupied colony, it always created disturbances in that place, provoking ethnic disputes, talking noisily about "returning the power to the people," or doing something else. Chris Patten now wants to play the same old trick, talking glibly about the so-called "accelerating the democratization pace" and sparing no effort to introduce the "representative system." But we want to tell Chris Patten that Hong Kong is different from Britain's former colonies, because it is not an independent state and will return to China. The first thing to do is not to "return the power to the people" but return the power to the Chinese Government. After resuming sovereignty over Hong Kong, the Chinese Government will authorize the people of Hong Kong to govern the territory according to the Hong Kong Basic Law. These Hong Kong people should be patriots, instead of agents acting in the interests of the British colonialists. "Democracy" is but a piece of clothing Chris Patten puts on when confronting the Chinese Government. If not, why was "democracy" not mentioned for over 100 years and why are they in such a rush to do something about it now?

Since the talks between China and Britain on the return of Hong Kong's sovereignty to China commenced, Britain has never stopped advocating the so-called "representative system" and we have never stopped opposing it. Neither is Chris Patten's "Constitutional Package" anything new. It is something they failed to get at the conference table between China and Britain at the time, or something they failed to get when we were drawing up the Hong Kong Basic Law. No matter what new tricks he is up to, if they do not conform to the Sino-British Joint Declaration, the Hong Kong Basic Law, or the relevant mutual understandings between China and Britain, he will not get what he wants at any time.

Finally, Professor Xu Chongde said: For the sake of Hong Kong's smooth transition, Hong Kong's stability and prosperity, and Hong Kong people's interests, we still hope that Chris Patten will rein in on the brink of the precipice, come back to the foundation of understanding reached between China and Britain, and continue to cooperate on the issue of Hong Kong. Nothing but this can bring a permanent solution!

#### Local Figures Comment on Zhu Rongji Statement

HK1911142492 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 19 Nov 92 p 3

["Dispatch" by correspondent Yu Yi (0060 1707): "Comments From Various Hong Kong Circles Believe China Is Determined To Maintain Hong Kong's Stability"]

[Text] Hong Kong, 18 Nov (RENMIN RIBAO OVERSEAS EDITION)—Commenting on Vice Premier Zhu Rongji's London statement on the Hong Kong problem, figures from various Hong Kong circles generally believe that the responsibility for instigating the dispute lies with the British side; and it is now necessary for China to reiterate its stand of upholding the Sino-British Joint Declaration, the Basic Law, and the Memorandum of Understanding on the airport.

Hong Kong affairs adviser Liu Yiu-chu commented that, given that differences between China and Britain over Hong Kong's constitutional system have developed into the present situation, people cannot help questioning whether Britain has some kind of a plan for politicking in Hong Kong and whether Britain is really willing to cooperate and handle convergence well. Liu Yiu-chu said: Chris Patten attempted to mislead citizens with opinion polls and introduce foreign influence into Hong Kong. As Chinese, we will never tolerate this. She said that Hong Kong would never have a day of peace if foreign influences were to infiltrate Hong Kong. Regarding the foreign media's mistaken understanding of Zhu Rongji's statement, quoting him as saying that China intends to overthrow the joint declaration, Liu Yiu-chu pointed out that some people were deliberately fabricating stories to confuse people. She pointed out that Zhu Rongji had only reiterated China's hitherto consistent position and was gentle and soft in tone when making the statement. China has not changed its position of upholding and implementing the joint declaration.

Industrialist and Legislative Council [Legco] member Ngai Shiu-kit said that, speaking as one from the industrial and commercial sectors, he believed that Chinese Vice Premier Zhu Rongji's tough statement in London was entirely necessary. He said: Regarding the stalemate and standoff between China and Britain over Hong Kong's constitutional system, we should ask searching questions as to who instigated the dispute. Most of the people in Hong Kong's industrial and commercial sectors believe that—beyond deviating from the Sino-British Joint Declaration and the Basic Law—Chris Patten's constitutional reform package will cause turmoil in Hong Kong's political situation and will have an impact on Hong Kong's economy. Zhu Rongji's statement will make people in the industrial and commercial sectors and foreign investors believe in China's determination and hopes for a stable Hong Kong and its wish to avoid the appearance of destabilizing factors there.

Legco member Allen Lee Peng-fei said: Hong Kong people support the Sino-British Joint Declaration as a guarantee for Hong Kong's stability and prosperity. Both the Chinese and British Governments have a responsibility to the Hong Kong people, and they must ensure the Sino-British Joint Declaration's smooth implementation.

Legco member Chim Pui-chung believed that the Chinese side did not trigger the dispute over the constitutional system. Though the Hong Kong governor has repeatedly stressed that the constitutional reform package is only a proposal, his attitude has been one of



aggressiveness, and this is unacceptable to the Chinese side. Chim Pui-chung advised the Hong Kong people to face reality and keep from being misled by other people. Regarding Chris Patten's efforts to gain international support, he pointed out that Chris Patten was doing this to increase his bargaining chips; it will not create pressure on the Chinese side.

Stephen Cheong, chairman of the Hong Kong Industrial Federation, said that it was right for Zhu Rongji to make the statement in Britain. Zhu's statement made China's position on the Hong Kong problem clear to the British Government and has indirectly let the Hong Kong people know China's position as well. Stephen Cheong said: Remarking in Britain that politics have no direct relation with the airport, Chris Patten said that he absolutely believes in what China has said. Stephen Cheong hoped that Chris Patten would be consistent in his position, that he would equally believe in China's statements on constitutional reform—that it violates the spirit of the joint declaration and Basic Law—and that Chris Patten would not adopt the practice of "unequivocally believing" only in those statements that appeal to him and adopting another standard for those which he does not accept.

Li Ming-kun, Hong Kong Polytechnic Applied Social Science Department director, believed that the ball now is in Britain's court. Britain must return to the track of the Joint Declaration and the agreements laid down in the letters between the Chinese and British foreign ministers. It must consult and discuss with China about the problem of constitutional reform in Hong Kong once again.

#### **Government Moves Ahead With Airport Contract**

*HK1911113092 Hong Kong AFP in English 1053 GMT 19 Nov 92*

[Text] Hong Kong, Nov 19 (AFP)—The Hong Kong Government will seek funding for a key contract of the new airport, moving ahead on its own on the multi-billion dollar project despite Beijing's insistence that it must seek its approval, a government source said Thursday.

The source said that the British colonial government had decided to seek the Finance Committee's approval for funds for the all-important site preparation project.

The government had to act before the validity date of the 9.041-billion-dollar (1.159-billion-dollar U.S.) tender by the contractors expired on November 30. A delay of three months would cost the government one billion Hong Kong dollars, the source said.

"Our first priority continues to be a common understanding with the Chinese side on the overall financial

arrangements for the airport. But, pending such agreement, we are taking a step by step approach," said the source.

The source recalled that the Chinese side had said it could go ahead with the site preparation agreement. Chinese officials have said that the situation has changed since China offered that Hong Kong could act alone.

The airport project has been caught in a tug-of-war between China and the colonial government, who are also at odds over London's push to give Hong Kong greater democracy before it hands the colony to China in 1997.

The Chinese Government has warned that if the Hong Kong Government went ahead with the airport project without its approval it would not honor debts after 1997 and deny Chinese airspace to planes coming to and from the new airport.

#### **Zhejiang Railway First Funded by Hong Kong, PRC**

*OW1411095592 Beijing XINHUA in English 0949 GMT 14 Nov 92*

[Text] Hangzhou, November 14 (XINHUA)—Construction of the Jinhua-Wenzhou railway in east China's Zhejiang Province, the first local railway to be funded jointly by China's mainland and Hong Kong, is expected to start later this year.

The 251 km railway, linking Jinhua with Wenzhou, will cost 172 million U.S. dollars, of which 20 percent will be provided by the Zhejiang Railway Company and the rest by a Hong Kong company. The co-operative operation term will be 70 years.

The railway is expected to be completed in four years.

The lack of railway transport in southwestern Zhejiang, an area rich in natural resources, has impeded local economic development.

#### **Communications Company Cosponsored With Beijing**

*OW1711145192 Beijing XINHUA in English 1423 GMT 17 Nov 92*

[Text] Beijing, November 17 (XINHUA)—A new communications company with a total investment of 150 million U.S. dollars was set up here today.

The new company, co-sponsored by the Beijing Catch Company of Communication Technology and the Hong Kong-based Henderson (China) Investment Co., Ltd., will be the largest joint venture ever established in the field of science and technology in China.

The company, called China Catch-Henderson Communication Co. Ltd., will mainly deal with telecommunications equipment and systems and provides comprehensive service of telecommunications systems, equipment maintenance as well as related computers and electronic products.

The Beijing Catch Company of Communication Technology, with 600 senior scientists and technicians, is a vanguard science company specialized in telecommunications and computers. It has more than 140 service stations and repair shops. Up to now, 70 telecommunications systems of the company have found their way into the international market.

State councillor and Beijing mayor, Chen Xitong, attended the inaugural and signing ceremony held in the Great Hall of the People today.

**Correction to Editorial on 'Inevitable' 'Shocks'**  
*HK1911041192*

The following correction pertains to the item headlined "'Shocks' 'Inevitable' Without Convergence," published in the 16 November China DAILY REPORT beginning on page 72:

Page 73, first column, last paragraph, ninth sentence make read: ...and economic development, and falling into long-running political disputes and bloody conflicts." The British have.... (supplying dropped passage)

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